

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 438 Session of 2023

INTRODUCED BY BARTOLOTTA, PHILLIPS-HILL, YAW, ROBINSON, COLLETT, KANE, SCHWANK, BREWSTER, COSTA, MILLER, MASTRIANO, DUSH AND AUMENT, MARCH 14, 2023

SENATOR MARTIN, APPROPRIATIONS, RE-REPORTED AS AMENDED, OCTOBER 24, 2023

AN ACT

1 Amending Title 51 (Military Affairs) of the Pennsylvania
2 Consolidated Statutes, in veteran-owned small businesses,
3 further providing for definitions; providing for
4 miscellaneous provisions; and imposing a penalty.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The definition of "veteran" in section 9601 of
8 Title 51 of the Pennsylvania Consolidated Statutes is amended to
9 read:

10 § 9601. Definitions.

11 Subject to section 9602 (relating to regulations), the
12 following words and phrases when used in this chapter shall have
13 the meanings given to them in this section unless the context
14 clearly indicates otherwise:

15 \* \* \*

16 "Veteran." [An individual who served in the United States
17 Armed Forces, including a reserve component or the National
18 Guard, and who was discharged or released from service under

1 conditions other than dishonorable.] Any of the following:

2 (1) An individual who served on active duty in the  
3 United States Armed Forces, including the Reserve and  
4 National Guard, who was discharged or released from service  
5 under honorable conditions.

6 (2) A reservist or member of the National Guard who  
7 completed an initial term of enlistment or qualifying period  
8 of service.

9 (3) A reservist or member of the National Guard who was  
10 disabled in the line of duty during training.

11 \* \* \*

12 Section 2. Chapter 96 of Title 51 is amended by adding a  
13 subchapter to read:

14 SUBCHAPTER D

15 MISCELLANEOUS PROVISIONS

16 Sec.

17 9621. Definitions.

18 9622. Veteran-owned business logotype.

19 9623. Nonprofit membership association.

20 § 9621. Definitions.

21 As used in this subchapter, the following words and phrases  
22 shall have the meanings given to them in this section unless the  
23 context clearly indicates otherwise:

24 "Nonprofit membership association." A nonprofit organization  
25 whose mission is to support veterans, reservists, National Guard  
26 members, their spouses and families.

27 "Veteran-owned business." A business owned or controlled by  
28 a veteran.

29 § 9622. Veteran-owned business logotype.

30 (a) Logotype.--Except as provided under section 9623

1 (relating to nonprofit membership association), the department  
2 shall develop and design an official Commonwealth logotype to be  
3 used by a veteran-owned business.

4 (b) Application.--Except as provided under section 9623, the  
5 department shall develop an application, criteria and  
6 affirmation upon which an eligible business may apply for a  
7 license to use the logotype under this section.

8 (c) Eligibility.--A veteran-owned business shall be eligible  
9 to be issued a license to use the logotype if:

10 (1) the business is registered with the Department of  
11 State; and

12 (2) at least 51% of the ownership interest in the  
13 business is held by a veteran.

14 (d) Verification of military service status.--Except as  
15 provided under section 9623, the following shall apply:

16 (1) The department shall verify the military service  
17 status of each business owner seeking status as a veteran-  
18 owned business without additional verification, by confirming  
19 that the business:

20 (i) Possesses a valid verification issued by the  
21 Department of General Services as a Veteran Business  
22 Enterprise, including a Veteran-Owned Small Business  
23 Enterprise or a Service-Disabled Veteran-Owned Small  
24 Business Enterprise.

25 (ii) Possesses a valid verification issued by the  
26 United States Department of Veterans Affairs through  
27 VETBIZ or its successor.

28 (2) Nothing under this subsection shall prohibit the  
29 department from working with another State agency or an  
30 additional third-party entity to establish veteran-owned

1 business verification.

2 (e) Notice.--Within 10 days of the creation of a logotype  
3 under this section and the establishment of the criteria  
4 necessary to use and display the logotype and the applications  
5 and instructions on how to complete and submit an application,  
6 the department shall post on a publicly accessible Internet  
7 website of the department, a notice that:

8 (1) The logotype under this section is available to an  
9 eligible business.

10 (2) Includes the criteria necessary to receive a license  
11 to use and display the logotype and allows for access to the  
12 applications and instructions on how to complete and submit  
13 the applications.

14 (f) Issuance.--Except as provided under section 9623, the  
15 department shall issue a license to use and display the logotype  
16 to an applicant deemed eligible under subsection (c).

17 ~~(g) Fee.--~~ <--

18 ~~(1) An initial fee of \$250 is established for the~~  
19 ~~issuance of a license to use and display the logotype.~~

20 ~~(2) A renewal fee of \$100 is established for each~~  
21 ~~subsequent license renewal term.~~

22 ~~(3) Fees collected under this subsection shall be used~~  
23 ~~as follows:~~

24 ~~(i) Fifty percent of the fee shall be transferred to~~  
25 ~~the Veterans' Trust Fund.~~

26 ~~(ii) Fifty percent of the fee shall be used for~~  
27 ~~administrative costs.~~

28 ~~(4) If a nonprofit membership association is chosen~~  
29 ~~under section 9623, the nonprofit membership association~~  
30 ~~shall:~~

1 ~~(i) collect the fee under this subsection;~~  
2 ~~(ii) transfer 50% of the fee quarterly to the~~  
3 ~~department for disposition under paragraph (3) (i);~~  
4 ~~(iii) retain 50% of the fee for administrative~~  
5 ~~costs; and~~  
6 ~~(iv) annually submit an audit to the Auditor General~~  
7 ~~of the fees collected, transferred and retained under~~  
8 ~~this paragraph.~~

9 ~~(5) The department shall adjust the fee amounts under~~  
10 ~~this subsection every three years to reflect any upward~~  
11 ~~changes in the Consumer Price Index for All Urban Consumers~~  
12 ~~for the Philadelphia Camden Wilmington, PA NJ DE MD area in~~  
13 ~~the preceding 12 months and shall transmit the adjusted fee~~  
14 ~~amount to the Legislative Reference Bureau for publication as~~  
15 ~~a notice in the next available Pennsylvania Bulletin. The fee~~  
16 ~~shall be adjusted by multiplying the annual fee amount by any~~  
17 ~~percentage increase to the Consumer Price Index for All Urban~~  
18 ~~Consumers for the Philadelphia Camden Wilmington, PA NJ DE MD~~  
19 ~~area, rounded to the nearest \$10. The resultant product shall~~  
20 ~~be added to the fee amount, and the sum shall become the new~~  
21 ~~annual fee amount under this subsection.~~

22 ~~(h) (G) Penalty.--~~

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23 ~~(1) An individual commits a misdemeanor of the third~~  
24 ~~degree if the individual fraudulently holds the individual~~  
25 ~~out to be a veteran for the purpose of obtaining a license or~~  
26 ~~using a logotype under this subchapter.~~

27 ~~(2) Notwithstanding any other provision of law, the full~~  
28 ~~amount of each fine collected for a violation of paragraph~~  
29 ~~(1) shall be deposited into the Veterans' Trust Fund.~~

30 ~~(i) Report.--By March 31 of each year, the department shall~~

1 prepare an annual report on the number of veteran-owned  
2 businesses issued a license to use the logotype, AND the annual <--  
3 applications and renewals of the license to use the logotype and <--  
4 the administration fees collected during the preceding year. A  
5 copy of the report shall be sent to the Veterans Affairs and  
6 Emergency Preparedness Committee of the Senate and the Veterans  
7 Affairs and Emergency Preparedness Committee of the House of  
8 Representatives.

9 § 9623. Nonprofit membership association.

10 The department may, except for section 9622(d) (relating to  
11 veteran-owned business logotype), contract with a nonprofit  
12 membership association to perform the duties and  
13 responsibilities under section 9622.

14 Section 3. This act shall take effect in 60 days.