

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1203

PRINTER NO. 1810

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 22, 2022

PRIME SPONSOR

Senator Argall

DESCRIPTION

Senate Bill 1203 establishes the Restrictions for Associations with Russia and Belarus Act to restrict the Commonwealth from entering into contracts or providing grants or tax credits with persons associated with Russia and Belarus.

The legislation requires the Pennsylvania Treasury Department (Treasury) to develop and publish a list of persons as defined in the legislation that are owned or controlled by, or are acting for or on behalf of, Russia or Belarus as defined by the Office of Foreign Assets Control of the United States Department of Treasury.

The legislation provides that a person found to be on the list may not: (1) bid on, submit a proposal for, enter into, be a party to or renew a contract with a Commonwealth agency for the provision of goods and services; (2) submit a proposal for, be associated with or renew a grant issued by the Commonwealth; or (3) submit a proposal for, receive or renew a tax credit offered by the Commonwealth.

The legislation requires the Treasury Department to publish a list of “persons” on its publicly accessible internet website.

The legislation provides for a process to challenge inclusion on the list to the Attorney General. If a person demonstrates to the satisfaction of the Attorney General that the person should not be included on the list the person will be stricken from the list.

The legislation requires the Treasury to develop a list of critical materials and minerals that are to be exempted from this act that include those minerals identified by the U.S. Department of Interior as part of Executive Order 13817. It provides that any person who provides, obtains, or supplies a mineral identified as critical minerals or materials to the Federal Government or United States domiciled business will, upon notification to the Treasury Department, be removed from the list and exempted from any restrictions imposed by this act. It also provides for the list to be reviewed by the Treasury annually.

The legislation is scheduled to take effect in 60 days.

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FISCAL IMPACT:

The Treasury estimates that Senate Bill 1203 will cost \$50,000 annually to utilize a vendor to verify and update the list of persons associated with Russia and Belarus. The Office of Attorney General will also incur minor administrative costs related to challenges by persons to inclusion on the list. These additional costs and duties can be accommodated within their existing general government operating budgets.