



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2012

PRINTER'S NO. 3461

PRIME SPONSOR: Pisciotanno

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	\$0	See Fiscal Impact

SUMMARY:

This legislation creates the Pennsylvania Open Markets Act.

ANALYSIS:

House Bill 2012 amends Title 12 (Commerce and Trade) to insert Chapter 9 (Pennsylvania Open Markets).

The legislation provides the Attorney General with the authority to investigate violations and to bring a civil action in the name of the Commonwealth against a person if they believe that the person has engaged in, or is about to engage in, an act or practice that is unlawful under this chapter and sets the measurement of damages. The civil action may include recovering a civil penalty of not less than \$100,000 for each violation of this chapter, obtaining an order requiring divestiture of assets, or recovering actual damages, restitution, or disgorgement on behalf of the Commonwealth. The office is authorized to recover the costs of an investigation, expert costs, and reasonable attorney fees and costs if successful in an action initiated under this section.

The legislation further establishes criminal penalties for knowingly committing an unlawful act under Section 904 (A) or (B). A violation of this section is a felony of the third degree and, upon conviction, shall be sentenced to a term of imprisonment of not more than four years or sentenced to pay a fine of not more than \$1,000,000, or both. A corporation committing this offense shall be sentenced to pay a fine of not more than \$1,000,000.

The legislation also provides the Commonwealth with pre-merger notification for all material healthcare transactions.

Finally, the legislation allows that a person that has suffered damages as a result of prohibited acts shall have standing to commence an action in a court of competent jurisdiction.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT:

According to the Office of Attorney General, the legislation will not require any additional resources from the office.

Data are not available to reliably estimate how many individuals may be convicted and sentenced for this new offense. Therefore, its potential fiscal impact on the Commonwealth is indeterminate. It should be noted that the marginal annual cost to incarcerate an additional inmate in a state correctional institution was \$16,104 in FY 2022/23. This cost assumes that fewer than 300 additional individuals were incarcerated. Offenders with a maximum sentence of less than two years are typically sent to a county jail. Marginal costs are not available for county facilities, but the average annual cost to incarcerate someone in a county jail in 2022 was \$43,701.

PREPARED BY: Bradley Keen, Ph.D., Budget Analyst
House Appropriations Committee (D)

DATE: July 2, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.