

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 497 Session of
2023

INTRODUCED BY ROBINSON, BARTOLOTTA, MARTIN, STEFANO, DUSH,
J. WARD, YAW, AUMENT, ARGALL AND REGAN, MARCH 14, 2023

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MARCH 14, 2023

AN ACT

1 Providing for advanced manufacturing facilities and
2 infrastructures through business partnerships with State-
3 related institutions; establishing the Max Manufacturing
4 Initiative Fund and Max Manufacturing Endeavor Loan Fund; and
5 imposing powers and duties on the Department of Community and
6 Economic Development.

7 TABLE OF CONTENTS

8 Chapter 1. Preliminary Provisions

9 Section 101. Short title.

10 Section 102. Findings and declarations.

11 Section 103. Definitions.

12 Chapter 3. Max Manufacturing Initiative Fund

13 Section 301. Establishment.

14 Chapter 5. Max Manufacturing Equipment and Integrated Systems

15 Grants

16 Section 501. Authorization.

17 Section 502. Eligibility.

18 Section 503. Process and application.

19 Section 504. Matching funds.

1 Section 505. Appropriation.
2 Chapter 7. Max Manufacturing Endeavor Loans
3 Section 701. Authorization.
4 Section 702. Max Manufacturing Endeavor Loan Fund.
5 Section 703. Powers and duties of department.
6 Section 704. Appropriation.
7 Chapter 9. Reporting Requirements and Public Access
8 Section 901. Reporting duties.
9 Section 902. Public access to records.
10 Chapter 11. Miscellaneous Provisions
11 Section 1101. Effective date.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 CHAPTER 1

15 PRELIMINARY PROVISIONS

16 Section 101. Short title.

17 This act shall be known and may be cited as the Max
18 Manufacturing Initiative Act.

19 Section 102. Findings and declarations.

20 The General Assembly finds and declares as follows:

21 (1) The intent of this act is to leverage the proximity
22 of university and private engineering expertise to establish
23 public-private partnerships and State-related institution
24 partnerships within this Commonwealth.

25 (2) This collaboration is designed to align with the
26 Commonwealth's stated economic development goals through the
27 funding of grants, incentivized private investments and
28 business incentives to attract high-technology industries for
29 advanced manufacturing in this Commonwealth to:

30 (i) Advance and promote the general welfare of the

1 residents of this Commonwealth.

2 (ii) Foster stronger business alliances, which will
3 increase employment opportunities for Pennsylvanians.

4 (iii) Establish this Commonwealth and its university
5 and business partnerships as international leaders in
6 idea generation and the implementation of cutting-edge
7 advances in science and technology.

8 (iv) Create shared infrastructures within this
9 Commonwealth to leverage and maximize advanced
10 manufacturing techniques for producing high-value
11 products.

12 (v) Pool investments as necessary to create and
13 design academic and work programming that includes
14 academic restructuring and attracting new industry-driven
15 workforce and job training centers to convert and sustain
16 existing regional workforces to next-generation
17 manufacturing models and goals.

18 (vi) Expand and incentivize an industry-led business
19 environment in alignment with the Commonwealth's economic
20 development goals, including financial incentives for
21 infrastructure support.

22 Section 103. Definitions.

23 The following words and phrases when used in this act shall
24 have the meanings given to them in this section unless the
25 context clearly indicates otherwise:

26 "Advanced manufacturing." New manufacturing activities or
27 technologies that depend on the use and coordination of
28 information, automation, computation, software, sensing and
29 networking or make use of materials and capabilities enabled by
30 the physical and biological sciences and which may involve new

ways to manufacture existing products or the manufacture of new products emerging from new advanced technologies.

"Applicant." A State-related institution, contracting authority, public-private partnership or partnership to which a State-related institution is a party or a nonprofit organization that is eligible to apply for and receive redevelopment assistance capital grants or Commonwealth grants under this act.

"Application." A document submitted to the department or other agency under this act to secure funding.

"Application process." The steps necessary to initiate consideration for funding or designation under this act.

"Capital Facilities Debt Enabling Act." The act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

"Contracting authority." An authority created under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or other authority created under the laws of this Commonwealth that is eligible to apply for and receive redevelopment assistance capital grants under the Capital Facilities Debt Enabling Act.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Facility." A building, collection of buildings, the subsections of a building and all associated equipment identified within an application for funding to engage in or facilitate advanced manufacturing.

"Final determination." A final decision issued in writing by the department.

"Fund." The Max Manufacturing Initiative Fund established in this act.

"Matching funds." Cash or other investments in a shared

1 infrastructure project from funding sources other than the fund
2 and the Max Manufacturing Endeavor Loan Fund.

3 "Nonprofit organization." A corporation or other entity
4 based in this Commonwealth that is an exempt organization as
5 defined under 26 U.S.C. § 501(c)(3) (relating to exemption from
6 tax on corporations, certain trusts, etc.).

7 "Private entity." A person, entity, group or organization
8 that is not the Federal Government, the Commonwealth or a
9 municipal authority.

10 "Public entity." A Commonwealth agency as defined in 62
11 Pa.C.S. § 103 (relating to definitions) or a municipal
12 authority. The term does not include the General Assembly and
13 its members, officers or agencies or a court or other office or
14 agency of the Pennsylvania judicial system.

15 "Public-private partnership." An agreement between a public
16 entity and at least one private entity for the construction,
17 acquisition, management or operation of a facility created under
18 a shared infrastructure project.

19 "Shared infrastructure project." A project to create
20 collaborative production and manufacturing facilities for State-
21 related institutions and industry partnerships conducting or
22 facilitating activities relating to advanced manufacturing,
23 including, but not limited to, land acquisition, acquisition or
24 construction of buildings, equipment, site preparation, road and
25 highway improvements, water and sewer infrastructure or other
26 infrastructure development.

27 "State-related institution." Any of the following
28 institutions of higher education:

29 (1) Lincoln University.

30 (2) Temple University.

1 (3) The Pennsylvania State University.

2 (4) The University of Pittsburgh.

3 CHAPTER 3

4 MAX MANUFACTURING INITIATIVE FUND

5 Section 301. Establishment.

6 The Max Manufacturing Initiative Fund is established within
7 the State Treasury. The fund shall be used by the department to
8 issue grants to applicants engaging in or facilitating advanced
9 manufacturing, including equipment, integrated systems and
10 facilities acquisition, renovation and retrofitting. The
11 department shall be responsible for oversight, management and
12 operation of the fund.

13 CHAPTER 5

14 MAX MANUFACTURING EQUIPMENT AND

15 INTEGRATED SYSTEMS GRANTS

16 Section 501. Authorization.

17 (a) Establishment of account.--Within the fund is
18 established an account to be administered by the department for
19 the issuance of grants under this chapter for specialized
20 equipment, infrastructure and integrated systems for use by
21 university and private entities, public-private partnerships,
22 contracting authorities and nonprofit organizations conducting
23 or facilitating advanced manufacturing.

24 (b) Findings.--The General Assembly finds as follows:

25 (1) It is in the public interest to create incentives to
26 support growth in advanced manufacturing capabilities to
27 create well-paying jobs and enhanced economic opportunities
28 for the residents of this Commonwealth.

29 (2) Incentives should include recruitment and
30 maintenance of leading scientists and engineers at State-

1 related research universities for the purposes of developing
2 and leveraging the research capabilities of the universities
3 for the creation of well-paying jobs and enhanced economic
4 opportunities in accordance with this act.

5 (3) The use of money under this chapter may include
6 creating incentives in accordance with section 502 to lure,
7 maintain and keep a cutting-edge knowledge base.

8 Section 502. Eligibility.

9 (a) Distribution.--The department may make distributions
10 from the fund, subject to the terms, conditions and restrictions
11 provided under this chapter, for the purpose of making grants to
12 public-private partnerships, contracting authorities and State-
13 related institutions conducting or facilitating advanced
14 manufacturing, including, but not limited to, the following:

15 (1) Advancement in the fields of industrial processes,
16 mining, manufacturing, production agriculture, information
17 technology and biotechnology.

18 (2) Service as a medical facility or in other industrial
19 or technology sectors as defined by the department.

20 (3) The acquisition and installation of new machinery
21 and equipment, upgrading existing machinery and equipment or
22 retrofitting existing facilities with new or high-demand
23 technologies as defined by the department.

24 (b) Grants.--Grants shall be subject to the following
25 conditions:

26 (1) Grants shall be made to eligible public-private
27 partnerships, contracting authorities and State-related
28 institutions under this chapter.

29 (2) Grants shall be designed to include the purchase and
30 installation of new equipment and machinery, the upgrade of

existing machinery and equipment, integrated systems or the retrofitting of existing facilities with new or high-demand technologies. This paragraph includes the acquisition, application and utilization of computer hardware and software.

(3) Applicants shall provide a financial plan for all funding related to the project, including details regarding the financial commitment of the parties to the shared infrastructure project and documentation of matching funds from sources other than the fund and the Max Manufacturing Endeavor Loan Fund in an amount equal to the amount being requested in the application.

(4) Applications shall demonstrate that the shared infrastructure project to be funded furthers the goals of this act, as determined by the department.

Section 503. Process and application.

(a) Application process.--The department shall establish a competitive process for grants under this chapter no more than 90 days after the effective date of this section. The department may not begin accepting applications for at least 60 days from the date the application forms are made publicly available.

(b) Review and determination.--In reviewing a grant application and reaching a final determination, the department shall consider all of the following:

(1) Whether the project proposed to be funded is authorized under this chapter.

(2) The applicant's successful completion of the application, including any additional material or information requested by the department.

(3) The goals outlined in the application, including the

1 purchase and installation of new equipment and machinery or
2 integrated systems, the upgrade of existing machinery and
3 equipment or the retrofitting of existing facilities with new
4 or high-demand technologies.

5 Section 504. Matching funds.

6 Applicants shall provide documentation of matching funds
7 invested in the shared infrastructure project from sources other
8 than the fund and the Max Manufacturing Endeavor Loan Fund in an
9 amount equal to the grant amount being requested under this
10 chapter.

11 Section 505. Appropriation.

12 The General Assembly may appropriate money to the department
13 for the purposes specified under this chapter.

14 CHAPTER 7

15 MAX MANUFACTURING ENDEAVOR LOANS

16 Section 701. Authorization.

17 (a) Establishment of account.--

18 (1) There is established an account within the fund
19 which shall be administered by the department for the purpose
20 of issuing loans under this chapter, upon application of an
21 applicant for the the purposes of purchasing of specialized
22 equipment or integrated systems for use by university and
23 private entities, public-private partnerships and contracting
24 authorities conducting or facilitating advanced
25 manufacturing, and purchasing, constructing, renovating or
26 rehabilitating facilities to be used in a shared
27 infrastructure project.

28 (2) Loans are authorized for the following purposes and
29 in the following amounts:

30 (i) Purchasing of specialized equipment or

1 integrated systems for use in advanced manufacturing. The
2 amount of a loan made for purchasing of specialized
3 equipment integrated systems shall not exceed \$200,000
4 for any single piece of equipment or 75% of the total
5 cost of the piece of equipment, whichever is less.

6 (ii) Purchasing, constructing, renovating or
7 rehabilitating facilities to be used in a shared
8 infrastructure project. The amount of a loan made for
9 purchasing, constructing, renovating or rehabilitating
10 facilities shall not exceed \$100,000 for a single
11 facility or 75% of the total cost for purchasing,
12 renovating or rehabilitating the facility, whichever is
13 less.

14 (b) Terms of loans.--

15 (1) Loans made by the department shall be for a period
16 of not more than 15 years.

17 (2) Loans shall be subject to the payment of interest at
18 2% per annum and shall be subject to such security as shall
19 be determined by the department.

20 (3) The total amount of the interest earned by the
21 investment or reinvestment of all or any part of the
22 principal of any loan shall be returned to the department,
23 shall be transferred to the fund and shall not be credited as
24 payment of principal or interest on the loan.

25 (4) The minimum amount of any loan shall be \$1,000.

26 (c) Financial statement required.--An application for a loan
27 under this chapter shall be accompanied by:

28 (1) A financial statement of the applicant and a
29 financial plan to show how the loan will be repaid.

30 (2) Evidence sufficient to show that all costs, except

1 the amount of the loan, will be met by assets or other
2 revenues, grants or loans from other sources or in-kind
3 contributions or services.

4 (d) Use of loans.--Loans under this chapter shall be used
5 for purchasing specialized equipment or integrated systems and
6 for purchasing, constructing, renovating or rehabilitating
7 facilities for the conduct of advanced manufacturing and may not
8 be used for operating expenses or for the refinancing or
9 reduction of any debt or obligation incurred prior to the
10 effective date of this section.

11 (e) Rules and regulations.--Loans made by the department
12 shall be paid from the fund to approved applicants in accordance
13 with rules and regulations promulgated by the department.

14 (f) Repayment of loans to be deposited in fund.--Payments of
15 principal and interest on the loans shall be deposited by the
16 department in the fund.

17 Section 702. Max Manufacturing Endeavor Loan Fund.

18 (a) Establishment.--The Max Manufacturing Endeavor Loan Fund
19 is established within the State Treasury to which shall be
20 credited:

21 (1) appropriations made by the General Assembly, other
22 than appropriations for expenses of administering this
23 chapter;

24 (2) grants from other sources to the department; and

25 (3) repayment of principal and interest on loans made
26 under this chapter.

27 (b) Allocations for loans.--

28 (1) The department shall routinely requisition from the
29 Max Manufacturing Endeavor Loan Fund such amounts as shall be
30 allocated by the department for loans to applicants under

1 this chapter. When and as the amounts allocated by the
2 department as loans to applicants are repaid to the
3 department under the terms of the agreements made and entered
4 into with the department, the department shall pay the
5 amounts into the Max Manufacturing Endeavor Loan Fund.

6 (2) The Max Manufacturing Endeavor Loan Fund shall
7 operate as a revolving fund from which all appropriations and
8 payments made to this fund may be applied and reapplied for
9 the purposes of this chapter.

10 Section 703. Powers and duties of department.

11 In addition to the powers and duties conferred upon the
12 department under other provisions of law, the department shall
13 have the power and duty to:

14 (1) Lend money for the purposes authorized by this
15 chapter over a term of years, but in no case in excess of 15
16 years.

17 (2) Accept grants from the Federal Government and any
18 person, agency or government for use in the Max Manufacturing
19 Endeavor Loan Fund.

20 (3) Prescribe the form of the application for a loan
21 under this chapter.

22 (4) Advise an applicant regarding the financial ability
23 of the applicant to purchase specialized equipment or
24 integrated systems or to purchase, construct, renovate or
25 rehabilitate facilities for a shared infrastructure project.

26 (5) Require security for a loan, if determined to be
27 necessary.

28 (6) Specify priority of liens against a facility or
29 equipment purchased by an applicant using money loaned under
30 this chapter, if determined to be necessary.

(7) Establish a schedule that provides at least an annual opportunity for applicants to apply for and receive loans.

Section 704. Appropriation.

The General Assembly may appropriate money to the Max Manufacturing Endeavor Loan Fund for the purposes specified under this chapter.

CHAPTER 9

REPORTING REQUIREMENTS AND PUBLIC ACCESS

Section 901. Reporting duties.

Grantees and recipients of loans shall provide annually a detailed accounting of the use of money for projects under this act to the department no later than January 30 of each year.

Section 902. Public access to records.

(a) Scope of access.--

(1) Grantees, as State-related institutions, are subject only to the reporting provisions of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(2) State-related institutions are otherwise exempted from the provisions and requirements of the release of records.

(b) Construction.--Nothing in this act shall be construed to:

(1) Supersede the exemption nor require a State-related institution to provide additional information related to this act beyond the scope of the State-related institution's current responsibilities under Chapter 15 of the Right-to-Know Law.

(2) Preclude the department from releasing records deemed to be in the public interest.

1 (c) Public records.--Any other record identified as a public
2 record within the Right-to-Know Law in possession or
3 constructive possession of the department or a Commonwealth
4 agency, including contracts, grants, awards and other public
5 records, shall be considered public records in accordance with
6 the Right-to-Know Law.

7 (d) Federal law supersedes.--If the provisions of this act
8 related to public access conflict with a Federal or State law
9 prohibiting access to records, the provisions of this act shall
10 not apply with regard to access.

11 CHAPTER 11

12 MISCELLANEOUS PROVISIONS

13 Section 1101. Effective date.

14 This act shall take effect immediately.