

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 706 Session of 2021

INTRODUCED BY ROBINSON, BARTOLOTTA, ARGALL, PITTMAN, REGAN, MENSCH, J. WARD, GORDNER, K. WARD, YUDICHAK, STEFANO AND YAW, MAY 21, 2021

SENATOR YUDICHAK, COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, AS AMENDED, SEPTEMBER 22, 2021

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 ~~Venture~~ ENDEAVOR Loan <--
5 Fund; and imposing powers and duties on the Department of
6 Community and Economic Development.

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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)~~ (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)~~ (VI) Expand and incentivize an industry-led <--
19 business environment in alignment with the Commonwealth's
20 economic development goals, including financial
21 incentives for 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

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

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

9 "Application." A document submitted to the ~~Department of~~ <--
10 ~~Community and Economic Development~~ DEPARTMENT or other agency <--
11 under this act to secure funding.

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

14 "Capital Facilities Debt Enabling Act." The act of February
15 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt
16 Enabling Act.

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

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

24 "FACILITY." A BUILDING, COLLECTION OF BUILDINGS, THE <--
25 SUBSECTIONS OF A BUILDING AND ALL ASSOCIATED EQUIPMENT
26 IDENTIFIED WITHIN AN APPLICATION FOR FUNDING TO ENGAGE IN OR
27 FACILITATE ADVANCED MANUFACTURING.

28 "Final determination." A final decision issued in writing by
29 the ~~Department of Community and Economic Development~~ DEPARTMENT. <--

30 "Fund." The Max Manufacturing Initiative Fund established in

1 this act.

2 "Matching funds." Cash, ~~in-kind contributions~~ or other <--
3 investments in a shared infrastructure project from funding
4 sources other than the Max Manufacturing Initiative Fund and the
5 Max Manufacturing ~~Venture~~ ENDEAVOR Loan Fund. <--

6 "Nonprofit organization." A corporation or other entity
7 based in this Commonwealth that is an exempt organization as
8 defined under section 501(c)(3) of the Internal Revenue Code of
9 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).

10 "Operating organization." An entity that contracts directly
11 with a contracting authority to lease or operate a shared
12 infrastructure project facility.

13 "Private entity." A person, entity, group or organization
14 that is not the Federal Government, the Commonwealth or a
15 municipal authority.

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

21 "Public-private partnership." An agreement between a public
22 entity and at least one private entity for the construction,
23 acquisition, management or operation of a facility created under
24 a shared infrastructure project.

25 "Shared infrastructure project." A project to create
26 collaborative production and manufacturing facilities for State-
27 related institutions and industry partnerships conducting or
28 facilitating activities relating to advanced manufacturing,
29 including, but not limited to, land acquisition, acquisition or
30 construction of buildings, equipment, ~~furnishings~~, site <--

1 preparation, road and highway improvements, water and sewer
2 infrastructure or other infrastructure development.

3 "State-related institution." Any of the following
4 institutions of higher education:

- 5 (1) Lincoln University.
- 6 (2) Temple University.
- 7 (3) The Pennsylvania State University.
- 8 (4) The University of Pittsburgh.

9 CHAPTER 3

10 MAX MANUFACTURING INITIATIVE FUND

11 Section 301. Establishment

12 The Max Manufacturing Initiative Fund is established within
13 the State Treasury. The fund shall be used by the ~~Department of~~ <--
14 ~~Community and Economic Development~~ DEPARTMENT to issue grants to <--
15 applicants engaging in or facilitating advanced manufacturing,
16 including equipment, integrated systems and facilities
17 acquisition, renovation and retrofitting. The department shall
18 be responsible for oversight, management and operation of the
19 fund.

20 CHAPTER 5

21 MAX MANUFACTURING EQUIPMENT AND

22 INTEGRATED SYSTEMS GRANTS

23 Section 501. Authorization.

24 (a) Establishment of account.--Within the fund is
25 established an account to be administered by the department for
26 the issuance of grants under this chapter for specialized
27 equipment, infrastructure and integrated systems for use by
28 university and private entities, public-private partnerships,
29 contracting authorities and nonprofit organizations conducting
30 or facilitating advanced manufacturing.

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

2 (1) It is in the public interest to create incentives to
3 support growth in advanced manufacturing capabilities to
4 create well-paying jobs and enhanced economic opportunities
5 for the residents of this Commonwealth.

6 (2) Incentives should include recruitment and
7 maintenance of leading scientists and engineers at State-
8 related research universities for the purposes of developing
9 and leveraging the research capabilities of the universities
10 for the creation of well-paying jobs and enhanced economic
11 opportunities in accordance with this act.

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

15 Section 502. Eligibility.

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

22 (1) Advancement in the fields of industrial processes,
23 mining, manufacturing, production agriculture, information
24 technology and biotechnology.

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

27 (3) The acquisition and installation of new machinery
28 and equipment, upgrading existing machinery and equipment or
29 retrofitting existing facilities with new or high-demand
30 technologies as defined by the department.

1 (b) Grants.--Grants shall be subject to the following
2 conditions:

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

6 (2) Grants shall be designed to include the purchase and
7 installation of new equipment and machinery, the upgrade of
8 existing machinery and equipment, integrated systems or the
9 retrofitting of existing facilities with new or high-demand
10 technologies. This paragraph includes the acquisition,
11 application and utilization of computer hardware and
12 software.

13 (3) Applicants shall provide a financial plan for all
14 funding related to the project, including details regarding
15 the financial commitment of the parties to the shared
16 infrastructure project and documentation of matching funds
17 from sources other than the Max Manufacturing Initiative Fund
18 and the Max Manufacturing ~~Venture~~ ENDEAVOR Loan Fund in an <--
19 amount equal to the amount being requested in the
20 application.

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

24 Section 503. Process and application.

25 (a) Application process.--The department shall establish ~~an~~ <--
26 ~~application~~ A COMPETITIVE process for grants under this chapter <--
27 no more than 90 days after the effective date of this section.
28 The department may not begin accepting applications for at least
29 60 days from the date the application forms are made publicly
30 available.

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

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

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

9 (3) The goals outlined in the application, including the
10 purchase and installation of new equipment and machinery or
11 integrated systems, the upgrade of existing machinery and
12 equipment or the retrofitting of existing facilities with new
13 or high-demand technologies.

14 Section 504. Matching funds.

15 Applicants shall provide documentation of matching funds
16 invested in the shared infrastructure project from sources other
17 than the Max Manufacturing Initiative Fund and the Max
18 Manufacturing ~~Venture~~ ENDEAVOR Loan Fund in an amount equal to <--
19 the grant amount being requested under this chapter.

20 Section 505. Appropriation.

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

23 CHAPTER 7

24 MAX MANUFACTURING ~~VENTURE~~ ENDEAVOR LOANS <--

25 Section 701. Authorization.

26 (a) Establishment of account.--

27 (1) There is established an account within the fund
28 which shall be administered by the department for the purpose
29 of issuing loans under this chapter, upon application of an
30 applicant for the the purposes of purchasing of specialized

1 equipment or integrated systems for use by university and
2 private entities, public-private partnerships and contracting
3 authorities conducting or facilitating advanced
4 manufacturing, and purchasing, constructing, renovating or
5 rehabilitating facilities to be used in a shared
6 infrastructure project.

7 (2) Loans are authorized for the following purposes and
8 in the following amounts:

9 (i) Purchasing of specialized equipment or
10 integrated systems for use in advanced manufacturing. The
11 amount of a loan made for purchasing of specialized
12 equipment integrated systems shall not exceed \$200,000
13 for any single piece of equipment or 75% of the total
14 cost of the piece of equipment, whichever is less.

15 (ii) Purchasing, constructing, renovating or
16 rehabilitating facilities to be used in a shared
17 infrastructure project. The amount of a loan made for
18 purchasing, constructing, renovating or rehabilitating
19 facilities shall not exceed \$100,000 for a single
20 facility or 75% of the total cost for purchasing,
21 renovating or rehabilitating the facility, whichever is
22 less.

23 (b) Terms of loans.--

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

26 (2) Loans shall be subject to the payment of interest at
27 2% per annum and shall be subject to such security as shall
28 be determined by the department.

29 (3) The total amount of the interest earned by the
30 investment or reinvestment of all or any part of the

1 principal of any loan shall be returned to the department,
2 shall be transferred to the fund and shall not be credited as
3 payment of principal or interest on the loan.

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

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

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

9 (2) Evidence sufficient to show that all costs, except
10 the amount of the loan, will be met by assets or other
11 revenues, grants or loans from other sources or in-kind
12 contributions or services.

13 (d) Use of loans.--Loans under this chapter shall be used
14 for purchasing specialized equipment or integrated systems and
15 for purchasing, constructing, renovating or rehabilitating
16 facilities for the conduct of advanced manufacturing and may not
17 be used for operating expenses or for the refinancing or
18 reduction of any debt or obligation incurred prior to the
19 effective date of this section.

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

23 (f) Repayment of loans to be deposited in fund.--Payments of
24 principal and interest on the loans shall be deposited by the
25 department in the fund.

26 Section 702. Max Manufacturing ~~Venture~~ ENDEAVOR Loan Fund. <--

27 (a) Establishment.--The Max Manufacturing ~~Venture~~ ENDEAVOR <--
28 Loan Fund is established in the State Treasury to which shall be
29 credited:

30 (1) appropriations made by the General Assembly, other

1 than appropriations for expenses of administering this
2 chapter;

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

4 (3) repayment of principal and interest on loans made
5 under this chapter.

6 (b) Allocations for loans.--

7 (1) The department shall routinely requisition from the
8 fund established under this section such amounts as shall be
9 allocated by the department for loans to applicants under
10 this chapter. When and as the amounts so allocated by the
11 department as loans to applicants are repaid to the
12 department under the terms of the agreements made and entered
13 into with the department, the department shall pay the
14 amounts into the fund established under this chapter.

15 (2) The fund established under this chapter shall
16 operate as a revolving fund from which all appropriations and
17 payments made to this fund may be applied and reapplied for
18 the purposes of this chapter.

19 Section 703. Powers and duties of department.

20 In addition to the powers and duties conferred upon the
21 department under other provisions of law, the department shall
22 have the power and duty to:

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

26 (2) Accept grants from the Federal Government and any
27 person, agency or government for use in the fund established
28 in this chapter.

29 (3) Prescribe the form of the application for a loan
30 under this chapter.

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

5 ~~(5) Assist an applicant in taking advantage of joint <--~~
6 ~~purchasing arrangements and of opportunities to purchase~~
7 ~~surplus equipment from the Commonwealth or any of its~~
8 ~~political subdivisions.~~

9 ~~(6)~~ (5) Require security for a loan, if determined to be <--
10 necessary.

11 ~~(7)~~ (6) Specify priority of liens against a facility or <--
12 equipment purchased by an applicant using money loaned under
13 this chapter, if determined to be necessary.

14 ~~(8)~~ (7) Establish a schedule that provides at least an <--
15 annual opportunity for applicants to apply for and receive
16 loans.

17 Section 704. Appropriation.

18 The General Assembly may appropriate money to the fund
19 established under this chapter for the purposes specified under
20 this chapter.

21 CHAPTER 9

22 REPORTING REQUIREMENTS AND PUBLIC ACCESS

23 Section 901. Reporting duties.

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

27 Section 902. Public access to records.

28 (a) Scope of access.--

29 (1) Grantees, as State-related institutions, are subject
30 only to the reporting provisions of the act of February 14,

1 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

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

7 (1) Supersede the exemption nor require a State-related
8 ~~university~~ INSTITUTION to provide additional information <--
9 related to this act beyond the scope of the State-related
10 ~~university's~~ INSTITUTION'S current responsibilities under <--
11 Chapter 15 of the Right-to-Know Law.

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

14 (c) Public records.--Any other record identified as a public
15 record within the Right-to-Know Law in possession or
16 constructive possession of the department or a Commonwealth
17 agency, including contracts, grants, awards and other public
18 records, shall be considered public records in accordance with
19 the Right-to-Know Law.

20 (d) Federal law supersedeas.--If the provisions of this act
21 related to public access conflict with a Federal or State law
22 prohibiting access to records, the provisions of this act shall
23 not apply with regard to access.

24 CHAPTER 11

25 MISCELLANEOUS PROVISIONS

26 Section 1101. Effective date.

27 This act shall take effect immediately.