

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 706

PRINTER NO. 1090

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 21, 2021

PRIME SPONSOR

Senator Robinson

DESCRIPTION

Senate Bill 706 establishes the Max Manufacturing Initiative Fund and Max Manufacturing Endeavor Loan Fund.

This bill creates the Max Manufacturing Initiative Fund to distribute grants to eligible applicants to support or facilitate the following:

- Industrial processes, mining, manufacturing, production agriculture, information technology and bio-technology;
- Acquisition, installation, upgrading, or retrofitting of existing machinery and facilities; and
- Service as a medical, industrial or technology facility.

This legislation also creates the Max Manufacturing Endeavor Loan Fund which shall provide loans with a term of not longer than 15 years at a two percent interest rate. Loans used for the purchase of equipment or integrated systems for use in advanced manufacturing shall not exceed \$200,000 or 75% of the total cost of the equipment. Loans used for the purchase, construction, renovation or rehabilitation of facilities shall not exceed \$100,000 or 75% of the total cost.

Eligible applicants include state-related institutions, contracting authorities, public-private partnerships and certain nonprofit organizations. Recipients of grants or loans are required to provide a detailed accounting of the use of the funds to the Department of Community and Economic Development annually. All applicants must provide documentation of matching funds of at least an amount equal to the amount being requested.

FISCAL IMPACT:

Senate Bill 706 provides for the establishment of a fund that will provide grants and a second fund that will serve as a revolving loan fund for advanced manufacturing. The legislation as written does not designate an amount to be provided to each fund. The fiscal impact of this legislation will be determined by future appropriations from the General Assembly. The Department of Community and Economic Development is able to accommodate administration of these new funds within existing staffing and budget levels.