
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

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INTRODUCED BY GAYDOS, HILL-EVANS, THOMAS, POLINCHOCK, ZIMMERMAN,
MASSER AND MIHALEK, MAY 14, 2021

REFERRED TO COMMITTEE ON COMMERCE, MAY 14, 2021

AN ACT

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

8 TABLE OF CONTENTS

9 Chapter 1. Preliminary Provisions

10 Section 101. Short title.

11 Section 102. Findings and declarations.

12 Section 103. Definitions.

13 Chapter 2. Advanced Manufacturing Initiative Fund

14 Section 201. Establishment.

15 Chapter 3. Advanced Manufacturing Equipment and Integrated

16 Systems Grants

17 Section 301. Findings.

18 Section 302. Establishment.

19 Section 303. Eligibility.

20 Section 304. Process and application.

1 Section 305. Matching funds.
2 Section 306. Appropriation.
3 Chapter 4. Advanced Manufacturing Venture Loan Program
4 Section 401. Authorization.
5 Section 402. Criteria for bond issuance.
6 Section 403. Issuance of bonds and security.
7 Section 404. Sale of bonds.
8 Section 405. Deposit of bond proceeds.
9 Section 406. Payment of bond-related obligations.
10 Section 407. Commonwealth not to impair bond-related
11 obligations.
12 Section 408. Personal liability.
13 Chapter 5. Reporting Requirements and Public Access
14 Section 501. Reporting requirements.
15 Section 502. Public access to records.
16 Section 503. Effective date.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 CHAPTER 1

20 PRELIMINARY PROVISIONS

21 Section 101. Short title.

22 This act shall be known and may be cited as the Advanced
23 Manufacturing Initiative Act.

24 Section 102. Findings and declarations.

25 The General Assembly finds and declares as follows:

26 (1) The intent of this act is to leverage the proximity
27 of university and private engineering expertise to establish
28 public-private partnerships and State-related institution
29 partnerships within this Commonwealth.

30 (2) This collaboration is designed to align with the

1 Commonwealth's stated economic development goals through the
2 funding of grants, incentivized private investments and
3 business incentives to attract high-technology industries for
4 advanced manufacturing in this Commonwealth to:

5 (i) Advance and promote the general welfare of the
6 residents of this Commonwealth.

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

9 (iii) Establish this Commonwealth and its university
10 and business partnerships as international leaders in
11 idea generation and the implementation of cutting-edge
12 advances in science and technology.

13 (iv) Create shared infrastructures within this
14 Commonwealth to leverage and maximize advanced
15 manufacturing techniques for producing high-value
16 products.

17 (v) Pool investments as necessary to create and
18 design academic and work programming that includes
19 academic restructuring and attracting new industry-driven
20 workforce and job training centers to convert and sustain
21 existing regional workforces to next-generation
22 manufacturing models and goals.

23 (vi) Expand and incentivize an industry-led business
24 environment in alignment with the Commonwealth's economic
25 development goals, including financial incentives for
26 infrastructure support.

27 Section 103. Definitions.

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

1 "Advanced manufacturing." New manufacturing activities or
2 technologies which depend on the use and coordination of
3 information, automation, computation, software, sensing and
4 networking, or make use of materials and capabilities enabled by
5 the physical and biological sciences and which may involve new
6 ways to manufacture existing products or the manufacture of new
7 products emerging from new advanced technologies.

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

13 "Application." A document submitted to secure funding to the
14 Department of Community and Economic Development or other agency
15 under this act.

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

18 "Authority." The Pennsylvania Economic Development Financing
19 Authority.

20 "Bond." Any type of revenue obligation, including a bond or
21 series of bonds, note, certificate or other instrument, issued
22 by the authority for the benefit of an applicant under this
23 article.

24 "Bond obligations." The principal of a bond and any premium
25 and interest payable on a bond, together with any amount owed
26 under a related credit agreement or a related resolution of the
27 authority authorizing a bond.

28 "Capital Facilities Debt Enabling Act." The act of February
29 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt
30 Enabling Act.

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

6 "Credit agreement." A loan agreement, a revolving credit
7 agreement, an agreement establishing a line of credit, a letter
8 of credit or another agreement that enhances the marketability,
9 security or creditworthiness of a bond.

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

12 "Final determination." A final decision issued in writing by
13 the Department of Community and Economic Development.

14 "Financing Law." The act of August 23, 1967 (P.L.251,
15 No.102), known as the Economic Development Financing Law.

16 "Fund." The Advanced Manufacturing Initiative Fund
17 established under section 201.

18 "Matching funds." Cash or in-kind contributions that
19 leverage non-Commonwealth funding to enhance the initiative.

20 "Operating organization." An entity that contracts directly
21 with the contracting authority to lease or operate a shared
22 infrastructure project facility.

23 "Private entity." A person, entity, group or organization
24 that is not the Federal Government, the Commonwealth or a
25 municipal authority.

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

1 "Public-private partnership." An agreement between a public
2 entity and at least one private entity for the construction,
3 acquisition, management or operation of a facility created under
4 a shared infrastructure project.

5 "Shared infrastructure project." A project to create
6 collaborative production and manufacturing facilities for State-
7 related institutions and industry partnerships conducting
8 activities relating to advanced manufacturing, including, but
9 not limited to, land acquisition, acquisition or construction of
10 buildings, equipment, furnishings, site preparation, road and
11 highway improvements, water and sewer infrastructure or other
12 infrastructure development.

13 "State-related institution." Any of the following
14 institutions of higher education:

- 15 (1) Lincoln University.
- 16 (2) Temple University.
- 17 (3) The Pennsylvania State University.
- 18 (4) The University of Pittsburgh.

19 CHAPTER 2

20 ADVANCED MANUFACTURING INITIATIVE FUND

21 Section 201. Establishment.

22 The Advanced Manufacturing Initiative Fund is established
23 within the department containing accounts to issue grants to
24 applicants engaging in advanced manufacturing, including
25 purchasing equipment and integrated systems and facilities
26 acquisition, renovation and retrofitting. The department shall
27 be responsible for oversight, management and operation of the
28 fund.

29 CHAPTER 3

30 ADVANCED MANUFACTURING EQUIPMENT

1 AND INTEGRATED SYSTEMS GRANTS

2 Section 301. Findings.

3 The General Assembly finds and declares as follows:

4 (1) It is in the public interest to create incentives to
5 support growth in advanced manufacturing capabilities to
6 create well-paying jobs and enhanced economic opportunities
7 for the people of Pennsylvania.

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

14 (3) The use of money under this chapter may include
15 creating incentives to lure, maintain and keep a cutting-edge
16 knowledge base.

17 Section 302. Establishment.

18 There is established an account within the fund which shall
19 be administered by the department to issue grants for
20 specialized equipment, infrastructure and integrated systems for
21 use by university and private entities, public-private
22 partnerships and contracting authorities conducting advanced
23 manufacturing.

24 Section 303. Eligibility.

25 (a) Distribution.--The department may make distributions
26 from the fund, subject to the terms, conditions and restrictions
27 provided under this chapter, for the purpose of making grants to
28 public-private partnerships, contracting authorities and State-
29 related institutions conducting advanced manufacturing
30 including, but not limited to, the following:

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

4 (2) The acquisition and installation of new machinery
5 and equipment, upgrading existing machinery and equipment or
6 retrofitting existing facilities with new or high-demand
7 technologies as defined by the department.

8 (b) Grants.--Grants shall be subject to the following
9 conditions:

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

13 (2) Grants shall be designed to include the purchase and
14 installation of new equipment and machinery, the upgrade of
15 existing machinery and equipment or integrated systems, or
16 the retrofitting of existing facilities with new or high-
17 demand technologies. This paragraph includes the acquisition,
18 application and utilization of computer hardware and
19 software.

20 (3) Applicants shall provide a financial plan for all
21 funding related to the project, including details regarding
22 the financial commitment of the parties to the project and
23 documentation of matching funds from non-State sources in an
24 amount equal to the amount being requested in the
25 application.

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

29 Section 304. Process and application.

30 (a) Application process.--The department shall establish an

1 application process for grants under this chapter no more than
2 90 days after the effective date of this act. The department
3 shall not begin accepting applications for at least 60 days from
4 the date the application forms are made publicly available.

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

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

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

13 (3) The goals outlined in the application, including,
14 but not limited to, the purchase and installation of new
15 equipment and machinery or integrated systems, the upgrade of
16 existing machinery and equipment or the retrofitting of
17 existing facilities with new or high-demand technologies.

18 Section 305. Matching funds.

19 Applicants shall provide documentation of matching funds from
20 non-State sources in an amount equal to the grant amount being
21 requested under this chapter.

22 Section 306. Appropriation.

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

25 CHAPTER 4

26 ADVANCED MANUFACTURING VENTURE LOAN PROGRAM

27 Section 401. Authorization.

28 (a) Authority.--Notwithstanding any other law, the following
29 shall apply:

30 (1) An applicant may be a project applicant under the

1 Financing Law and may apply to the authority for the funding
2 of purchasing of specialized equipment or integrated systems
3 for use by university and private entities, public-private
4 partnerships and contracting authorities conducting advanced
5 manufacturing, and purchasing, constructing, renovating or
6 rehabilitating facilities to be used in a shared
7 infrastructure project.

8 (2) The authority may issue bonds under the Financing
9 Law, consistent with this article, to finance a project to
10 fund, or reimburse an applicant for, purchasing of
11 specialized equipment or integrated systems for use by
12 university and private entities, public-private partnerships
13 and contracting authorities conducting advanced
14 manufacturing, and purchasing, constructing, renovating or
15 rehabilitating facilities to be used in a shared
16 infrastructure project.

17 (3) Participation of an industrial and commercial
18 development authority shall not be required to finance the
19 eligible project costs under this chapter.

20 (b) Debt or liability.--The following shall apply:

21 (1) Bonds issued under this chapter shall not be a debt
22 or liability of the Commonwealth and shall not create or
23 constitute any indebtedness, liability or obligation of the
24 Commonwealth.

25 (2) Bond obligations and bond administrative expenses
26 shall be payable solely from revenues or money pledged or
27 available for repayment as authorized under this chapter.
28 This paragraph shall include the proceeds of any issuance of
29 bonds.

30 (3) Each bond shall contain on its face a statement

1 that:

2 (i) the authority is obligated to pay the principal
3 or interest on the bonds only from the revenues or money
4 pledged or available for repayment as authorized under
5 this chapter;

6 (ii) the Commonwealth is not obligated to pay the
7 principal or interest; and

8 (iii) the full faith and credit of the Commonwealth
9 is not pledged to the payment of the principal of or the
10 interest on the bonds.

11 Section 402. Criteria for bond issuance.

12 (a) Determination.--An applicant may apply to the authority
13 to issue bonds for the purchasing of specialized equipment or
14 integrated systems for use by university and private entities,
15 public-private partnerships and contracting authorities
16 conducting advanced manufacturing, and purchasing, constructing,
17 renovating or rehabilitating facilities to be used in a shared
18 infrastructure project.

19 (b) Terms.--The following shall apply:

20 (1) The applicant shall specify the following in its
21 application to the authority:

22 (i) the maximum principal amount of the bonds for
23 each separate bond issue; and

24 (ii) the maximum term of the bonds consistent with
25 applicable law.

26 (2) The term of the bonds issued under this chapter may
27 not exceed 10 years.

28 Section 403. Issuance of bonds and security.

29 (a) Issuance.--The authority shall consider issuance of
30 bonds upon application by an applicant. Bonds issued under this

1 chapter shall be subject to the provisions of the Financing Law,
2 unless otherwise specified under this chapter.

3 (b) Service agreement authorized.--The authority and an
4 applicant may enter into an agreement or service agreement to
5 effectuate this chapter, including an agreement to secure bonds
6 issued for the purposes under section 401(a), pursuant to which
7 the applicant shall agree to pay the bond obligations and bond
8 administrative expenses to the authority in each fiscal year
9 that the bonds or refunding bonds are outstanding in amounts
10 sufficient to timely pay in full the debt service and any other
11 financing costs due on the bonds issued for the purposes under
12 section section 401(a). The service agreement may be amended or
13 supplemented by the authority and the applicant in connection
14 with the issuance of any series of bonds or refunding bonds
15 authorized under this section.

16 (c) Security.--Bond obligations and bond administrative
17 expenses are secured, for the benefit of the holders of the
18 bonds and the obligees under credit agreements or the agreements
19 under subsection (b), by pledge of a security interest in and
20 first lien on the following:

21 (1) Money deposited into the Advanced Manufacturing
22 Venture Loan Account, including investment income on money in
23 the account.

24 (2) Money relating to the bonds held on deposit in any
25 other fund or account under an instrument or agreement
26 pertaining to the bonds, including bond reserves and interest
27 income on the money.

28 (3) The security provided under this subsection shall
29 not apply to money in any fund relating to arbitrage rebate
30 obligations.

1 Section 404. Sale of bonds.

2 The authority shall offer the bonds for sale by means of a
3 public, competitive sale or by means of a negotiated sale based
4 on the authority's determination of which method will produce
5 the most benefit to the Commonwealth.

6 Section 405. Deposit of bond proceeds.

7 The net proceeds of bonds, other than refunding bonds,
8 exclusive of costs of issuance, reserves and any other financing
9 charges, shall be transferred by the authority to the State
10 Treasurer for deposit into a restricted account established in
11 the State Treasury and held solely for the purposes under
12 section 401(a) to be known as the Advanced Manufacturing Venture
13 Loan Account.

14 Section 406. Payment of bond-related obligations.

15 For each fiscal year in which bond obligations and bond
16 administrative expenses will be due, the authority shall notify
17 the applicant of the amount of bond obligations and the
18 estimated amount of bond administrative expenses in sufficient
19 time, as determined by the authority, to permit the applicant to
20 pay bond obligations and bond administrative expenses that will
21 be due and payable in the following fiscal year.

22 Section 407. Commonwealth not to impair bond-related
23 obligations.

24 The Commonwealth pledges that it shall not do any of the
25 following:

26 (1) Limit or alter the rights and responsibilities of
27 the authority or the applicant under this article, including
28 the responsibility to:

29 (i) pay bond obligations and bond administrative
30 expenses; and

1 (ii) comply with any other instrument or agreement
2 pertaining to bonds.

3 (2) Alter or limit the service agreement under section
4 403(b).

5 (3) Impair the rights and remedies of the holders of
6 bonds, until each bond issued at any time and the interest on
7 the bond are fully met and discharged.

8 Section 408. Personal liability.

9 The members, directors, officers and employees of the
10 applicant and the authority shall not be personally liable as a
11 result of good faith exercise of the rights and responsibilities
12 granted under this chapter.

13 CHAPTER 5

14 REPORTING REQUIREMENTS AND PUBLIC ACCESS

15 Section 501. Reporting requirements.

16 Grantees and applicants entering into a service agreement
17 under section 403(b) shall be required to provide annually a
18 detailed accounting of the use of money for projects under this
19 act to the department no later than January 30 of each year.

20 Section 502. Public access to records.

21 (a) General rule.--The following shall apply:

22 (1) Grantees, as State-related institutions, are subject
23 to reporting provisions of the act of February 14, 2008
24 (P.L.6, No.3), known as the Right-to-Know Law. State-related
25 institutions are otherwise exempted from the provisions and
26 requirements of the release of records.

27 (2) Nothing in this act shall supersede the exemption,
28 nor require a State-related university to provide additional
29 information related to this act beyond the scope of the
30 State-related university's current responsibilities under

1 Chapter 15 of the Right-to-Know Law.

2 (3) Nothing in this act shall preclude the department
3 from releasing records deemed to be in the public interest.

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

10 (c) Construction.--If the provisions of this act related to
11 public access conflict with a Federal or State law prohibiting
12 access to records, the provisions of this act shall not apply
13 with regard to access.

14 Section 503. Effective date.

15 This act shall take effect immediately.