

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

SENATOR GEBHARD, COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, AS AMENDED, MAY 2, 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.

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

15 CHAPTER 1

16 PRELIMINARY PROVISIONS

17 Section 101. Short title.

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

20 Section 102. Findings and declarations.

21 The General Assembly finds and declares as follows:

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

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

1 (i) Advance and promote the general welfare of the
2 residents of this Commonwealth.

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

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

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

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

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

23 Section 103. Definitions.

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

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

1 the physical and biological sciences and which may involve new
2 ways to manufacture existing products or the manufacture of new
3 products emerging from new advanced technologies.

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

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

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

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

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

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

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

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

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

1 "Matching funds." Cash or other investments in a shared
2 infrastructure project from funding sources other than the fund
3 and the Max Manufacturing Endeavor Loan Fund.

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

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

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

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

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

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

30 (1) Lincoln University.

- 1 (2) Temple University.
- 2 (3) The Pennsylvania State University.
- 3 (4) The University of Pittsburgh.

4 CHAPTER 3

5 MAX MANUFACTURING INITIATIVE FUND

6 Section 301. Establishment.

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

14 CHAPTER 5

15 MAX MANUFACTURING EQUIPMENT AND

16 INTEGRATED SYSTEMS GRANTS

17 Section 501. Authorization.

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

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

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

30 (2) Incentives should include recruitment and

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

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

9 Section 502. Eligibility.

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

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

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

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

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

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

30 (2) Grants shall be designed to include the purchase and

1 installation of new equipment and machinery, the upgrade of
2 existing machinery and equipment, integrated systems or the
3 retrofitting of existing facilities with new or high-demand
4 technologies. This paragraph includes, BUT IS NOT LIMITED TO, <--
5 LAND ACQUISITION, the acquisition, OR CONSTRUCTION OF <--
6 BUILDINGS, EQUIPMENT, SITE PREPARATION, ROAD AND HIGHWAY
7 IMPROVEMENTS, WATER AND SEWER INFRASTRUCTURE AND THE
8 application and utilization of computer hardware and
9 software.

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

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

20 Section 503. Process and application.

21 (a) Application process.--The department shall establish a
22 competitive process for grants under this chapter no more than
23 90 days after the effective date of this section. The department
24 may not begin accepting applications for at least 60 days from
25 the date the application forms are made publicly available.

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

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

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

4 (3) The goals outlined in the application, including the
5 purchase and installation of new equipment and machinery or
6 integrated systems, the upgrade of existing machinery and
7 equipment or the retrofitting of existing facilities with new
8 or high-demand technologies.

9 Section 504. Matching funds.

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

15 Section 505. Appropriation.

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

18 CHAPTER 7

19 MAX MANUFACTURING ENDEAVOR LOANS

20 Section 701. Authorization.

21 (a) Establishment of account.--

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

1 infrastructure project.

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

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

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

18 (b) Terms of loans.--

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

21 (2) Loans shall be subject to the payment of interest at
22 2% per annum and shall be subject to such security as shall
23 be determined by the department.

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

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

30 (c) Financial statement required.--An application for a loan

1 under this chapter shall be accompanied by:

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

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

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

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

18 (f) Repayment of loans to be deposited in fund.--Payments of
19 principal and interest on the loans shall be deposited by the
20 department in the fund.

21 Section 702. Max Manufacturing Endeavor Loan Fund.

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

25 (1) appropriations made by the General Assembly, other
26 than appropriations for expenses of administering this
27 chapter;

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

29 (3) repayment of principal and interest on loans made
30 under this chapter.

1 (b) Allocations for loans.--

2 (1) The department shall routinely requisition from the
3 Max Manufacturing Endeavor Loan Fund such amounts as shall be
4 allocated by the department for loans to applicants under
5 this chapter. When and as the amounts allocated by the
6 department as loans to applicants are repaid to the
7 department under the terms of the agreements made and entered
8 into with the department, the department shall pay the
9 amounts into the Max Manufacturing Endeavor Loan Fund.

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

14 Section 703. Powers and duties of department.

15 In addition to the powers and duties conferred upon the
16 department under other provisions of law, the department shall
17 have the power and duty to:

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

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

24 (3) Prescribe the form of the application for a loan
25 under this chapter.

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

30 (5) Require security for a loan, if determined to be

1 necessary.

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

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

8 Section 704. Appropriation.

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

12 CHAPTER 9

13 REPORTING REQUIREMENTS AND PUBLIC ACCESS

14 Section 901. Reporting duties.

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

18 Section 902. Public access to records.

19 (a) Scope of access.--

20 (1) Grantees, as State-related institutions, are subject
21 only to the reporting provisions of the act of February 14,
22 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

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

28 (1) Supersede the exemption nor require a State-related
29 institution to provide additional information related to this
30 act beyond the scope of the State-related institution's

1 current responsibilities under Chapter 15 of the Right-to-
2 Know Law.

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

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

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

15 CHAPTER 11

16 MISCELLANEOUS PROVISIONS

17 SECTION 1101. ADMINISTRATIVE COSTS. <--

18 THE DEPARTMENT MAY USE UP TO 3% ANNUALLY OF THE
19 APPROPRIATIONS UNDER SECTIONS 505 AND 704 FOR ADMINISTRATIVE
20 COSTS RELATING TO THE ADMINISTRATION OF THIS ACT.

21 Section ~~1101~~ 1102. Effective date. <--

22 This act shall take effect immediately.