
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

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
DECEMBER 11, 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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14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 CHAPTER 1

17 PRELIMINARY PROVISIONS

18 Section 101. Short title.

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

21 Section 102. Findings and declarations.

22 The General Assembly finds and declares as follows:

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

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

1 advanced manufacturing in this Commonwealth to:

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

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

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

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

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

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

24 Section 103. Definitions.

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

28 "Advanced manufacturing." New manufacturing activities or
29 technologies that depend on the use and coordination of
30 information, automation, computation, software, sensing and

1 networking or make use of materials and capabilities enabled by
2 the physical and biological sciences and which may involve new
3 ways to manufacture existing products or the manufacture of new
4 products emerging from new advanced technologies.

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

10 "Application." A document submitted to the department or
11 other agency 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.

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

1 this act.

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

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

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

12 "PROJECT LABOR AGREEMENT." A PREHIRE COLLECTIVE BARGAINING <--
13 AGREEMENT WITH ONE OR MORE LABOR ORGANIZATIONS THAT ESTABLISHES
14 THE TERMS AND CONDITIONS OF EMPLOYMENT FOR A CONSTRUCTION,
15 RENOVATION OR REHABILITATION PROJECT.

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, site preparation, road and

1 highway improvements, water and sewer infrastructure or other
2 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 to
14 issue grants to applicants engaging in or facilitating advanced
15 manufacturing, including equipment, integrated systems and
16 facilities acquisition, renovation and retrofitting. The
17 department shall be responsible for oversight, management and
18 operation of the fund.

19 CHAPTER 5

20 MAX MANUFACTURING EQUIPMENT AND
21 INTEGRATED SYSTEMS GRANTS

22 Section 501. Authorization.

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

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

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

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

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

14 Section 502. Eligibility.

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

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

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

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

30 (b) Grants.--Grants shall be subject to the following

1 conditions:

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

5 (2) Grants shall be designed to include the purchase and
6 installation of new equipment and machinery, the upgrade of
7 existing machinery and equipment, integrated systems or the
8 retrofitting of existing facilities with new or high-demand
9 technologies. This paragraph includes, but is not limited to,
10 land acquisition, the acquisition or construction of
11 buildings, equipment, site preparation, road and highway
12 improvements, water and sewer infrastructure and the
13 application and utilization of computer hardware and
14 software.

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

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

25 Section 503. Process and application.

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

1 publicly available.

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

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

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

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

15 (c) Limitations.--Grants awarded under this subsection shall
16 not exceed \$2,000,000.

17 Section 504. Matching funds.

18 Applicants shall provide documentation of matching funds
19 invested in the shared infrastructure project from sources other
20 than the fund and the Max Manufacturing Endeavor Loan Fund in an
21 amount equal to the grant amount being requested under this
22 chapter.

23 Section 505. Appropriation.

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

26 CHAPTER 7

27 MAX MANUFACTURING ENDEAVOR LOANS

28 Section 701. Authorization.

29 (a) Establishment of account.--

30 (1) There is established an account within the fund

1 which shall be administered by the department for the purpose
2 of issuing loans under this chapter, upon application of an
3 applicant for the the purposes of purchasing of specialized
4 equipment or integrated systems for use by university and
5 private entities, public-private partnerships and contracting
6 authorities conducting or facilitating advanced
7 manufacturing, and purchasing, constructing, renovating or
8 rehabilitating facilities to be used in a shared
9 infrastructure project.

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

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

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

26 (b) Terms of loans.--

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

29 (2) Loans shall be subject to the payment of interest at
30 2% per annum and shall be subject to such security as shall

1 be determined by the department.

2 (3) The total amount of the interest earned by the
3 investment or reinvestment of all or any part of the
4 principal of any loan shall be returned to the department,
5 shall be transferred to the fund and shall not be credited as
6 payment of principal or interest on the loan.

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

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

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

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

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

23 (e) 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 (F) PROJECT LABOR AGREEMENT REQUIREMENTS.--A RECIPIENT SHALL <--
27 DEMONSTRATE THAT THE RECIPIENT HAS A PROJECT LABOR AGREEMENT
28 WITH A CONTRACTOR OR SUBCONTRACTOR FOR CONSTRUCTION, RENOVATION
29 OR REHABILITATION WORK PERFORMED WITH LOANS UNDER THIS ACT.

30 Section 702. Max Manufacturing Endeavor Loan Fund.

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

4 (1) appropriations made by the General Assembly, other
5 than appropriations for expenses of administering this
6 chapter;

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

8 (3) repayment of principal and interest on loans made
9 under this chapter.

10 (b) Allocations for loans.--

11 (1) The department shall routinely requisition from the
12 Max Manufacturing Endeavor Loan Fund such amounts as shall be
13 allocated by the department for loans to applicants under
14 this chapter. When and as the amounts allocated by the
15 department as loans to applicants are repaid to the
16 department under the terms of the agreements made and entered
17 into with the department, the department shall pay the
18 amounts into the Max Manufacturing Endeavor Loan Fund.

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

23 Section 703. Powers and duties of department.

24 In addition to the powers and duties conferred upon the
25 department under other provisions of law, the department shall
26 have the power and duty to:

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

30 (2) Accept grants from the Federal Government and any

1 person, agency or government for use in the Max Manufacturing
2 Endeavor Loan Fund.

3 (3) Prescribe the form of the application for a loan
4 under this chapter in accordance with the published
5 guidelines.

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

10 (5) Require security for a loan, if determined to be
11 necessary.

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

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

18 Section 704. Appropriation.

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

22 CHAPTER 9

23 REPORTING REQUIREMENTS AND PUBLIC ACCESS

24 Section 901. Reporting duties.

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

28 Section 902. Public access to records.

29 (a) Scope of access.--

30 (1) Grantees, as State-related institutions, are subject

1 only to the reporting provisions of the act of February 14,
2 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

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

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

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

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

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

25 CHAPTER 11

26 MISCELLANEOUS PROVISIONS

27 Section 1101. Administrative costs.

28 The department may use up to 3% annually ~~of the~~ <--
29 ~~appropriations~~ under sections 505 and 704 for administrative
30 costs relating to the administration of this act.

1 Section 1102. Effective date.

2 This act shall take effect immediately.