

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 497 Session of  
2023INTRODUCED BY ROBINSON, BARTOLOTTA, MARTIN, STEFANO, DUSH,  
J. WARD, YAW, AUMENT, ARGALL AND REGAN, MARCH 14, 2023

AS AMENDED ON THIRD CONSIDERATION, JUNE 20, 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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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) 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) Expand and incentivize an industry-led business  
19 environment in alignment with the Commonwealth's economic  
20 development goals, including financial incentives for  
21 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

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

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

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

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

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

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

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

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

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

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

"Matching funds." Cash or other investments in a shared

1 infrastructure project from funding sources other than the fund  
2 and the Max Manufacturing Endeavor Loan Fund.

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

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

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

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

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

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

29 (1) Lincoln University.

30 (2) Temple University.

1 (3) The Pennsylvania State University.

2 (4) The University of Pittsburgh.

3 CHAPTER 3

4 MAX MANUFACTURING INITIATIVE FUND

5 Section 301. Establishment.

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

13 CHAPTER 5

14 MAX MANUFACTURING EQUIPMENT AND

15 INTEGRATED SYSTEMS GRANTS

16 Section 501. Authorization.

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

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

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

29 (2) Incentives should include recruitment and  
30 maintenance of leading scientists and engineers at State-

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

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

8 Section 502. Eligibility.

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

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

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

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

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

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

29 (2) Grants shall be designed to include the purchase and  
30 installation of new equipment and machinery, the upgrade of

1 existing machinery and equipment, integrated systems or the  
2 retrofitting of existing facilities with new or high-demand  
3 technologies. This paragraph includes, but is not limited to,  
4 land acquisition, the acquisition or construction of  
5 buildings, equipment, site preparation, road and highway  
6 improvements, water and sewer infrastructure and the  
7 application and utilization of computer hardware and  
8 software.

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

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

19 Section 503. Process and application.

20 (a) Application process.--The department shall establish  
21 GUIDELINES FOR a competitive process for grants under this <--  
22 chapter no more than 90 days after the effective date of this  
23 section. The department may not begin accepting applications for  
24 at least 60 days from the date the application forms are made  
25 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           (C) LIMITATIONS.--GRANTS AWARDED UNDER THIS SUBSECTION SHALL <--  
10 NOT EXCEED \$2,000,000.

11 Section 504. Matching funds.

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

17 Section 505. Appropriation.

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

20 CHAPTER 7

21 MAX MANUFACTURING ENDEAVOR LOANS

22 Section 701. Authorization.

23 (a) Establishment of account.--

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

1 manufacturing, and purchasing, constructing, renovating or  
2 rehabilitating facilities to be used in a shared  
3 infrastructure project.

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

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

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

20 (b) Terms of loans.--

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

23 (2) Loans shall be subject to the payment of interest at  
24 2% per annum and shall be subject to such security as shall  
25 be determined by the department.

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

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

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

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

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

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

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

20          ~~(f)~~ (E) Repayment of loans to be deposited in fund.-- <--  
21 Payments of principal and interest on the loans shall be  
22 deposited by the department in the fund.

23 Section 702. Max Manufacturing Endeavor Loan Fund.

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

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

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

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

(b) Allocations for loans.--

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

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

Section 703. Powers and duties of department.

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

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

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

(3) Prescribe the form of the application for a loan under this chapter IN ACCORDANCE WITH THE PUBLISHED GUIDELINES.

<--

(4) Advise an applicant regarding the financial ability of the applicant to purchase specialized equipment or

1 integrated systems or to purchase, construct, renovate or  
2 rehabilitate facilities for a shared infrastructure project.

3 (5) Require security for a loan, if determined to be  
4 necessary.

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

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

11 Section 704. Appropriation.

12 The General Assembly may appropriate money to the Max  
13 Manufacturing Endeavor Loan Fund for the purposes specified  
14 under this chapter.

15 CHAPTER 9

16 REPORTING REQUIREMENTS AND PUBLIC ACCESS

17 Section 901. Reporting duties.

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

21 Section 902. Public access to records.

22 (a) Scope of access.--

23 (1) Grantees, as State-related institutions, are subject  
24 only to the reporting provisions of the act of February 14,  
25 2008 (P.L.6, No.3), known as the Right-to-Know Law.

26 (2) State-related institutions are otherwise exempted  
27 from the provisions and requirements of the release of  
28 records.

29 (b) Construction.--Nothing in this act shall be construed  
30 to:

