

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 497

PRINTER NO. 691

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 14, 2023

PRIME SPONSOR

Senator Robinson

DESCRIPTION

Senate Bill 497 establishes the Max Manufacturing Initiative Fund to make grants and issue loans for specialized manufacturing equipment and integrated systems.

This bill creates an account within the new 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 restricted account within the fund, which shall provide loans with a term of no 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.

This act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 497 provides for the establishment of a fund that will provide grants and 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 account within the

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fund. The fiscal impact of this legislation will be determined by future appropriations from the General Assembly.

The legislation allows the Department of Community and Economic Development to use up to three percent annually of amounts appropriated to each account for administrative costs related to the administration of this act.