
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 706 Session of
2021

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MAY 21, 2021

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MAY 21, 2021

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

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

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

9 "Application." A document submitted to the Department of
10 Community and Economic Development or other agency under this
11 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 "Final determination." A final decision issued in writing by
25 the Department of Community and Economic Development.

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

28 "Matching funds." Cash, in-kind contributions or other
29 investments in a shared infrastructure project from funding
30 sources other than the Max Manufacturing Initiative Fund and the

1 Max Manufacturing Venture Loan Fund.

2 "Nonprofit organization." A corporation or other entity
3 based in this Commonwealth that is an exempt organization as
4 defined under section 501(c)(3) of the Internal Revenue Code of
5 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).

6 "Operating organization." An entity that contracts directly
7 with a contracting authority to lease or operate a shared
8 infrastructure project facility.

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

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

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

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

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

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

5 CHAPTER 3

6 MAX MANUFACTURING INITIATIVE FUND

7 Section 301. Establishment

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

15 CHAPTER 5

16 MAX MANUFACTURING EQUIPMENT AND

17 INTEGRATED SYSTEMS GRANTS

18 Section 501. Authorization.

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

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

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

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

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

10 Section 502. Eligibility.

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

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

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

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

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

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

1 (2) Grants shall be designed to include the purchase and
2 installation of new equipment and machinery, the upgrade of
3 existing machinery and equipment, integrated systems or the
4 retrofitting of existing facilities with new or high-demand
5 technologies. This paragraph includes the acquisition,
6 application and utilization of computer hardware and
7 software.

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

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

18 Section 503. Process and application.

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

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

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

29 (2) The applicant's successful completion of the
30 application, including any additional material or information

1 requested by the department.

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

7 Section 504. Matching funds.

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

13 Section 505. Appropriation.

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

16 CHAPTER 7

17 MAX MANUFACTURING VENTURE LOANS

18 Section 701. Authorization.

19 (a) Establishment of account.--

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

30 (2) Loans are authorized for the following purposes and

1 in the following amounts:

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

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

16 (b) Terms of loans.--

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

19 (2) Loans shall be subject to the payment of interest at
20 2% per annum and shall be subject to such security as shall
21 be determined by the department.

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

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

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

30 (1) A financial statement of the applicant and a

1 financial plan to show how the loan will be repaid.

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

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

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

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

19 Section 702. Max Manufacturing Venture Loan Fund.

20 (a) Establishment.--The Max Manufacturing Venture Loan Fund
21 is established in the State Treasury to which shall be credited:

22 (1) appropriations made by the General Assembly, other
23 than appropriations for expenses of administering this
24 chapter;

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

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

28 (b) Allocations for loans.--

29 (1) The department shall routinely requisition from the
30 fund established under this section such amounts as shall be

1 allocated by the department for loans to applicants under
2 this chapter. When and as the amounts so allocated by the
3 department as loans to applicants are repaid to the
4 department under the terms of the agreements made and entered
5 into with the department, the department shall pay the
6 amounts into the fund established under this chapter.

7 (2) The fund established under this chapter shall
8 operate as a revolving fund from which all appropriations and
9 payments made to this fund may be applied and reapplied for
10 the purposes of this chapter.

11 Section 703. Powers and duties of department.

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

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

18 (2) Accept grants from the Federal Government and any
19 person, agency or government for use in the fund established
20 in this chapter.

21 (3) Prescribe the form of the application for a loan
22 under this chapter.

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

27 (5) Assist an applicant in taking advantage of joint
28 purchasing arrangements and of opportunities to purchase
29 surplus equipment from the Commonwealth or any of its
30 political subdivisions.

1 (6) Require security for a loan, if determined to be
2 necessary.

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

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

9 Section 704. Appropriation.

10 The General Assembly may appropriate money to the fund
11 established under this chapter for the purposes specified under
12 this chapter.

13 CHAPTER 9

14 REPORTING REQUIREMENTS AND PUBLIC ACCESS

15 Section 901. Reporting duties.

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

19 Section 902. Public access to records.

20 (a) Scope of access.--

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

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

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

29 (1) Supersede the exemption nor require a State-related
30 university to provide additional information related to this

1 act beyond the scope of the State-related university's
2 current responsibilities under Chapter 15 of the Right-to-
3 Know Law.

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

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

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

16 CHAPTER 11

17 MISCELLANEOUS PROVISIONS

18 Section 1101. Effective date.

19 This act shall take effect immediately.