

# FISCAL NOTE

May 31, 2024

<b>Bill No:</b>	SB 497	<b>Printer's No:</b>	1517	<b>Sponsor:</b>	Robinson
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## COST / (SAVINGS)

Fund (s)	2023-24	2024-25
General Fund	See "FISCAL IMPACT"	See "FISCAL IMPACT"

**SUMMARY:** This bill provides for advanced manufacturing facilities and infrastructures through business partnerships with State-related institutions; establishes the Max Manufacturing Initiative Fund and Max Manufacturing Endeavor Loan Fund; provides for prevailing wage; and imposes powers and duties on the Department of Community and Economic Development.

**ANALYSIS:** SB 497 establishes the Max Manufacturing Initiative Fund from which the Department of Community and Economic Development (DCED) shall issue max manufacturing equipment and integrated systems grants. DCED may make distributions from the fund as outlined in the bill and as defined by the department to university and private entities, public-private partnerships, contracting authorities, and nonprofit organizations conducting or facilitating advanced manufacturing.

DCED shall establish a competitive grant application process and shall consider project authorization under the bill, application completion, and outlined goals of the application. Applicants are required to provide and document matching funds.

SB 497 also creates an account within the Max Manufacturing Initiative Fund for the purposes of issuing loans at two percent interest for the purchasing of specialized equipment or integrated systems or facilities by university and private entities, public-private partnerships, and contracting authorities.

Loan applications shall provide a financial plan showing how the loan will be repaid and sufficient evidence that call costs will be met. Loan and grant recipients shall provide an annual accounting of the use of money for projects.

**FISCAL IMPACT:** SB 497 creates the Max Manufacturing Endeavor Loan Fund for grants for advanced manufacturing and caps grants awarded at \$2 million but does not make an appropriation to the fund for capitalization of the program.

The bill also creates an account within the fund for loans with a minimum amount of \$1,000 per loan. Loan repayments including interest shall be deposited into the fund.

DCED may use up to three percent annually of appropriations made to the fund for administrative costs. If funded at the maximum aggregate grant amount of \$2 million, DCED would be permitted to use \$60,000 of the funds for administrative costs.