

**As Introduced**

**135th General Assembly**

**Regular Session**

**2023-2024**

**H. B. No. 435**

**Representatives Santucci, Demetriou**

**Cosponsors: Representatives Lorenz, White, Williams**

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**A BILL**

To enact section 122.162 of the Revised Code to 1  
create the manufacturing technologies assistance 2  
grant program and make an appropriation. 3

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 122.162 of the Revised Code be 4  
enacted to read as follows: 5

**Sec. 122.162.** (A) As used in this section: 6

(1) "Eligible project" means a project intended to 7  
increase the productivity, efficiency, and competitiveness of a 8  
manufacturing operation in this state by adopting and 9  
integrating manufacturing technologies and investing in 10  
industrial infrastructure. 11

(2) (a) "Eligible manufacturer" means a person that: 12

(i) Manufactures, processes, assembles, or refines goods 13  
at a facility located in this state; 14

(ii) Has a north American industry classification system 15  
code within the manufacturing sector range of thirty-one to 16  
thirty-three; 17

<u>(iii) Has operated as a manufacturer in this state for at</u>	18
<u>least three years before the application date;</u>	19
<u>(iv) Has derived, in the three years preceding the</u>	20
<u>application date, at least fifty-one per cent of the person's</u>	21
<u>gross revenue from the sale of manufactured goods;</u>	22
<u>(v) Employs, as of the application date, not more than</u>	23
<u>five hundred full-time employees at one or more locations;</u>	24
<u>(vi) Demonstrates an ability to provide matching funds</u>	25
<u>from private sources equal to the requested grant amount;</u>	26
<u>(vii) Has no outstanding tax or other liabilities owed to</u>	27
<u>this state and is in good standing with the secretary of state,</u>	28
<u>department of development, and any other governmental entity</u>	29
<u>charged with regulating the person's manufacturing business;</u>	30
<u>(viii) Attests that the person is in compliance with all</u>	31
<u>applicable federal, state, local requirements applicable to the</u>	32
<u>person's manufacturing business, including tax payments and code</u>	33
<u>enforcement;</u>	34
<u>(ix) Attests that that the person is not currently in</u>	35
<u>bankruptcy.</u>	36
<u>(b) "Eligible manufacturer" includes a subsidiary or</u>	37
<u>affiliate of a person described in division (A)(2)(a) of this</u>	38
<u>section if the subsidiary or affiliate meets the requirements of</u>	39
<u>divisions (A)(2)(a)(i), (ii), (vi), (vii), (viii), and (ix) of</u>	40
<u>this section.</u>	41
<u>(3) "Full-time employee" means an individual who is</u>	42
<u>employed by an eligible manufacturer for consideration for</u>	43
<u>thirty-five or more hours per week, or who renders any other</u>	44
<u>standard of service generally accepted by custom or specified by</u>	45

<u>contract as full-time employment.</u>	46
<u>(4) "Industrial infrastructure" includes machinery,</u>	47
<u>robotics, hardware, software, and equipment, and training</u>	48
<u>expenses associated with any of the foregoing.</u>	49
<u>(5) "Ineligible expenses" include all of the following:</u>	50
<u>(a) Payment of any federal, state, or local tax</u>	51
<u>obligations;</u>	52
<u>(b) Payment of nonbusiness-related expenses;</u>	53
<u>(c) Political expenses;</u>	54
<u>(d) Expenses for which the person has received, or will</u>	55
<u>receive reimbursement from another source, including another</u>	56
<u>government grant or loan program or insurance coverage;</u>	57
<u>(e) Mortgage, rent, or lease costs;</u>	58
<u>(f) Utility costs, including electric, gas, sewer, water,</u>	59
<u>broadband services, and trash removal;</u>	60
<u>(g) Salaries, wages, or compensation paid to employees or</u>	61
<u>independent contractors;</u>	62
<u>(h) Personal protective equipment, as defined in section</u>	63
<u>125.05 of the Revised Code.</u>	64
<u>(6) "Manufacturing industry partner" means either of the</u>	65
<u>following:</u>	66
<u>(a) An industry sector partnership, as defined in section</u>	67
<u>122.179 of the Revised Code, organized to support the</u>	68
<u>manufacturing sector;</u>	69
<u>(b) A regional partner of the manufacturing extension</u>	70
<u>partnership administered by the department of development and</u>	71

the national institute of standards and technology within the 72  
United States department of commerce. 73

(B)(1) The manufacturing technologies assistance program 74  
is created within the department of development. Under the 75  
program, an eligible manufacturer may apply to the director of 76  
development for a grant to fund one or more eligible projects. 77

(2) Before applying for a grant under this section, an 78  
eligible manufacturer shall obtain an assessment of the proposed 79  
eligible project from the Ohio manufacturing extension 80  
partnership under the department of development. The eligible 81  
manufacturer shall include that assessment with the grant 82  
application. The director of development may request that one or 83  
more additional manufacturing industry partners complete a 84  
technical review of the application and make recommendations on 85  
whether to approve or deny the application. 86

(3) The director shall review and score applications using 87  
a competitive process under which the director gives preference 88  
to all of the following: 89

(a) Applicants that derive a higher percentage of their 90  
gross revenue from the sale of manufactured goods; 91

(b) Eligible projects that receive a favorable assessment 92  
from a manufacturing industry partner; 93

(c) Applicants that have not previously deployed the 94  
manufacturing technology to be funded through the eligible 95  
project; 96

(d) Eligible projects that will be started immediately or 97  
that involve industrial infrastructure that will be purchased 98  
immediately; 99

(e) Eligible projects supported by evidence that the 100  
associated manufacturing technology will increase productivity, 101  
efficiency, and competitiveness. 102

(4) Except as otherwise provided in division (B) (5) of 103  
this section, the director of development shall reserve one-half 104  
of the funds available to the program for eligible projects 105  
submitted by eligible manufacturers with fifty or fewer full- 106  
time employees, and one-half of such funds for eligible projects 107  
submitted by eligible manufacturers with more than fifty but not 108  
more than five hundred full-time employees. 109

(5) The director, with the approval of the controlling 110  
board, may reallocate funds reserved pursuant to division (B) (4) 111  
of this section for eligible manufacturers with fifty or fewer 112  
full-time employees, or funds reserved pursuant to that division 113  
for eligible manufacturers with more than fifty but not more 114  
than five hundred full-time employees, to eligible projects 115  
submitted by the other class of eligible manufacturers, if the 116  
full amount of funds available to that other class of eligible 117  
manufacturers has been approved for disbursement as grants under 118  
the program. 119

(6) The director may charge a nonrefundable application 120  
fee of up to one hundred dollars for the purpose of 121  
administering the program. 122

(C) The director shall not award a grant under this 123  
section for any eligible project initiated before the effective 124  
date of this section. The total grant amount awarded to an 125  
eligible manufacturer under this section shall not exceed one 126  
hundred fifty thousand dollars. An eligible manufacturer 127  
receiving a grant under this section shall use the grant solely 128  
to fund the eligible project described in the application. An 129

eligible manufacturer shall not use the grant for ineligible 130  
expenses. 131

(D)(1) An eligible manufacturer that receives a grant 132  
under the program shall keep itemized records of both of the 133  
following: 134

(a) All expenditures for which the grant is used; 135

(b) The amount of private funds raised for the eligible 136  
project and the expenditures for which those funds are used. 137

(2) The records may include paid invoices, cancelled 138  
checks, payroll records, and other documentation acquired when 139  
the expense occurred. The eligible manufacturer shall retain the 140  
records for at least five years after the grant funds are fully 141  
expended. The records shall be made available for inspection by 142  
the department of development upon request of the department. 143

(3) Upon the completion of the eligible project or two 144  
years following the date the director awarded the grant, 145  
whichever is sooner, the eligible manufacturer shall submit a 146  
report to the department of development that does all of the 147  
following: 148

(a) Describes implementation of the eligible project; 149

(b) Demonstrates the total cost of the eligible project, 150  
including the costs for which private funds were used; 151

(c) Provides a full accounting of the expenditures for 152  
which grant funds were used. 153

(4) Along with the report required by division (D)(3) of 154  
this section, the eligible manufacturer shall return any grant 155  
funds that have not yet been expended, were used for ineligible 156  
expenses, or that were not matched by private contributions to 157

the eligible project. 158

(5) The director shall certify to the attorney general for 159  
collection any grant amounts required to be returned under 160  
division (D) (4) of this section that remain unpaid ninety days 161  
after the report required by division (D) (3) of this section is 162  
due. 163

(E) The director of development shall adopt rules in 164  
accordance with Chapter 119. of the Revised Code prescribing all 165  
of the following: 166

(1) An application process for the grant program, 167  
including the designation of one or more periods each year 168  
during which applications will be accepted; 169

(2) The competitive process to review and score 170  
applications described under division (B) (3) of this section; 171

(3) The form of the final report required by division (D) 172  
(3) of this section. 173

(F) The manufacturing technologies assistance fund is 174  
created in the state treasury. The fund shall consist of money 175  
appropriated to the fund by the general assembly and application 176  
fees collected under this section. Money in the fund shall be 177  
used by the director of development to award grants under the 178  
manufacturing technologies assistance program and to administer 179  
this section. Interest earned on money in the fund shall be 180  
credited to the fund. 181

**Section 2.** All items in this act are hereby appropriated 182  
as designated out of any moneys in the state treasury to the 183  
credit of the designated fund. For all operating appropriations 184  
made in this act, those in the first column are for fiscal year 185  
2024 and those in the second column are for fiscal year 2025. 186

The operating appropriations made in this act are in addition to 187  
any other operating appropriations made for these fiscal years. 188

**Section 3.** 189

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	1	2	3	4	5
A	DEV DEPARTMENT OF DEVELOPMENT				
B	Dedicated Purpose Fund Group				
C	5BF1	1956H5	Manufacturing Tech Assistance	\$0	\$12,000,000
D	TOTAL Dedicated Purpose Fund Group			\$0	\$12,000,000
E	TOTAL All Budget Fund Groups			\$0	\$12,000,000

MANUFACTURING TECH ASSISTANCE 191

The foregoing appropriation item 1956H5, Manufacturing 192  
Tech Assistance, shall be used to administer the Manufacturing 193  
Technologies Assistance Program established under section 194  
122.162 of the Revised Code. 195

**Section 4.** Within the limits set forth in this act, the 196  
Director of Budget and Management shall establish accounts 197  
indicating the source and amount of funds for each appropriation 198  
made in this act, and shall determine the manner in which 199  
appropriation accounts shall be maintained. Expenditures from 200  
operating appropriations contained in this act shall be 201  
accounted for as though made in, and are subject to all 202  
applicable provisions of, H.B. 33 of the 135th General Assembly. 203