

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 159

Representatives Santucci, Demetriou

To enact section 122.162 of the Revised Code to 1
create the manufacturing technologies assistance 2
grant program and to 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

(iii) Has operated as a manufacturer in this state for at 18
least three years before the application date; 19

(iv) Has derived, in the three years preceding the application date, at least fifty-one per cent of the person's gross revenue from the sale of manufactured goods; 20
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(v) Employs, as of the application date, not more than five hundred full-time employees at one or more locations; 23
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(vi) Demonstrates an ability to provide matching funds from private sources equal to the requested grant amount; 25
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(vii) Has no outstanding tax or other liabilities owed to this state and is in good standing with the secretary of state, department of development, and any other governmental entity charged with regulating the person's manufacturing business; 27
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(viii) Attests that the person is in compliance with all applicable federal, state, local requirements applicable to the person's manufacturing business, including tax payments and code enforcement; 31
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(ix) Attests that that the person is not currently in bankruptcy. 35
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(b) "Eligible manufacturer" includes a subsidiary or affiliate of a person described in division (A) (2) (a) of this section if the subsidiary or affiliate meets the requirements of divisions (A) (2) (a) (i), (ii), (vi), (vii), (viii), and (ix) of this section. 37
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(3) "Full-time employee" means an individual who is employed by an eligible manufacturer for consideration for thirty-five or more hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment. 42
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(4) "Industrial infrastructure" includes machinery, 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 a regional</u>	65
<u>partner of the manufacturing extension partnership administered</u>	66
<u>by the department of development and the national institute of</u>	67
<u>standards and technology within the United States department of</u>	68
<u>commerce.</u>	69
<u>(B) (1) The manufacturing technologies assistance program</u>	70
<u>is created within the department of development. Under the</u>	71
<u>program, an eligible manufacturer may apply to the director of</u>	72
<u>development for a grant to fund one or more eligible projects.</u>	73
<u>(2) Before applying for a grant under this section, an</u>	74

eligible manufacturer shall obtain an assessment of the proposed 75
eligible project from the Ohio manufacturing extension 76
partnership under the department of development. The eligible 77
manufacturer shall include that assessment with the grant 78
application. The director of development may request that one or 79
more additional manufacturing industry partners complete a 80
technical review of the application and make recommendations on 81
whether to approve or deny the application. A manufacturing 82
industry partner may collaborate with any of the following in 83
completing the technical review and making recommendations: 84

(a) An industry section partnership, as defined in section 85
122.179 of the Revised Code, organized to support the 86
manufacturing sector; 87

(b) A regional technology and innovation hub designated 88
under 15 U.S.C. 3722a; 89

(c) A regional innovation engine designated under 42 90
U.S.C. 19108; 91

(d) An innovation hub designated by the department of 92
development. 93

(3) The director shall review and score applications using 94
a competitive process under which the director gives preference 95
to all of the following: 96

(a) Applicants that derive a higher percentage of their 97
gross revenue from the sale of manufactured goods; 98

(b) Eligible projects that receive a favorable assessment 99
from a manufacturing industry partner; 100

(c) Applicants that have not previously deployed the 101
manufacturing technology to be funded through the eligible 102

<u>project;</u>	103
<u>(d) Eligible projects that will be started immediately or</u>	104
<u>that involve industrial infrastructure that will be purchased</u>	105
<u>immediately;</u>	106
<u>(e) Eligible projects supported by evidence that the</u>	107
<u>associated manufacturing technology will increase productivity,</u>	108
<u>efficiency, and competitiveness.</u>	109
<u>(4) Except as otherwise provided in division (B) (5) of</u>	110
<u>this section, the director of development shall reserve one-half</u>	111
<u>of the funds available to the program for eligible projects</u>	112
<u>submitted by eligible manufacturers with fifty or fewer full-</u>	113
<u>time employees, and one-half of such funds for eligible projects</u>	114
<u>submitted by eligible manufacturers with more than fifty but not</u>	115
<u>more than five hundred full-time employees.</u>	116
<u>(5) The director, with the approval of the controlling</u>	117
<u>board, may reallocate funds reserved pursuant to division (B) (4)</u>	118
<u>of this section for eligible manufacturers with fifty or fewer</u>	119
<u>full-time employees, or funds reserved pursuant to that division</u>	120
<u>for eligible manufacturers with more than fifty but not more</u>	121
<u>than five hundred full-time employees, to eligible projects</u>	122
<u>submitted by the other class of eligible manufacturers, if the</u>	123
<u>full amount of funds available to that other class of eligible</u>	124
<u>manufacturers has been approved for disbursement as grants under</u>	125
<u>the program.</u>	126
<u>(6) The director may charge a nonrefundable application</u>	127
<u>fee of up to one hundred dollars for the purpose of</u>	128
<u>administering the program.</u>	129
<u>(C) The director shall not award a grant under this</u>	130
<u>section for any eligible project initiated before the effective</u>	131

date of this section. The total grant amount awarded to an 132
eligible manufacturer under this section shall not exceed one 133
hundred fifty thousand dollars. An eligible manufacturer 134
receiving a grant under this section shall use the grant solely 135
to fund the eligible project described in the application. An 136
eligible manufacturer shall not use the grant for ineligible 137
expenses. 138

(D) (1) An eligible manufacturer that receives a grant 139
under the program shall keep itemized records of both of the 140
following: 141

(a) All expenditures for which the grant is used; 142

(b) The amount of private funds raised for the eligible 143
project and the expenditures for which those funds are used. 144

(2) The records may include paid invoices, cancelled 145
checks, payroll records, and other documentation acquired when 146
the expense occurred. The eligible manufacturer shall retain the 147
records for at least five years after the grant funds are fully 148
expended. The records shall be made available for inspection by 149
the department of development upon request of the department. 150

(3) Upon the completion of the eligible project or two 151
years following the date the director awarded the grant, 152
whichever is sooner, the eligible manufacturer shall submit a 153
report to the department of development that does all of the 154
following: 155

(a) Describes implementation of the eligible project; 156

(b) Demonstrates the total cost of the eligible project, 157
including the costs for which private funds were used; 158

(c) Provides a full accounting of the expenditures for 159

which grant funds were used. 160

(4) Along with the report required by division (D) (3) of 161
this section, the eligible manufacturer shall return any grant 162
funds that have not yet been expended, were used for ineligible 163
expenses, or that were not matched by private contributions to 164
the eligible project. 165

(5) The director shall certify to the attorney general for 166
collection any grant amounts required to be returned under 167
division (D) (4) of this section that remain unpaid ninety days 168
after the report required by division (D) (3) of this section is 169
due. 170

(E) The director of development shall adopt rules in 171
accordance with Chapter 119. of the Revised Code prescribing all 172
of the following: 173

(1) An application process for the grant program, 174
including the designation of one or more periods each year 175
during which applications will be accepted; 176

(2) The competitive process to review and score 177
applications described under division (B) (3) of this section; 178

(3) The form of the final report required by division (D) 179
(3) of this section. 180

(F) The manufacturing technologies assistance fund is 181
created in the state treasury. The fund shall consist of money 182
appropriated to the fund by the general assembly and application 183
fees collected under this section. Money in the fund shall be 184
used by the director of development to award grants under the 185
manufacturing technologies assistance program and to administer 186
this section. Interest earned on money in the fund shall be 187
credited to the fund. 188

Section 2. All items in this act are hereby appropriated 189
as designated out of any moneys in the state treasury to the 190
credit of the designated fund. For all operating appropriations 191
made in this act, those in the first column are for fiscal year 192
2026 and those in the second column are for fiscal year 2027. 193
The operating appropriations made in this act are in addition to 194
any other operating appropriations made for these fiscal years. 195

Section 3. 196
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A	DEV DEPARTMENT OF DEVELOPMENT				
B	Dedicated Purpose Fund Group				
C	5BF1	1956H6	Manufacturing Tech Assistance	\$12,000,000	\$12,000,000
D	TOTAL Dedicated Purpose Fund Group			\$12,000,000	\$12,000,000
E	TOTAL ALL BUDGET FUND GROUPS			\$12,000,000	\$12,000,000

MANUFACTURING TECH ASSISTANCE 198

The foregoing appropriation item 1956H6, Manufacturing 199
Tech Assistance, shall be used to administer the Manufacturing 200
Technologies Assistance Program established under section 201
122.162 of the Revised Code. 202

On the effective date of this section, or as soon as 203
possible thereafter, the Director of Budget and Management shall 204
transfer \$24,000,000 cash from the General Revenue Fund to the 205
Manufacturing Technologies Assistance Fund (Fund 5BF1). 206

Section 4. Within the limits set forth in this act, the 207
Director of Budget and Management shall establish accounts 208
indicating the source and amount of funds for each appropriation 209
made in this act, and shall determine the manner in which 210
appropriation accounts shall be maintained. Expenditures from 211
operating appropriations contained in this act shall be 212
accounted for as though made in, and are subject to all 213
applicable provisions of, the main operating appropriations act 214
of the 136th General Assembly. 215