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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 159**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 159's Bill Analysis](#)

**Version:** As Reported by House Technology and Innovation

**Primary Sponsors:** Reps. Santucci and Demetriou

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill appropriates \$12.0 million in each fiscal year of the FY 2026-FY 2027 biennium under new Fund 5BF1 ALI 1956H6, Manufacturing Tech Assistance, in the Department of Development's (DEV) budget to fund grants under the Manufacturing Technologies Assistance Grant Program created by the bill. Fund 5BF1 would be capitalized by a transfer of \$24.0 million cash from the GRF.
- The bill requires that half of the funds be reserved for projects submitted by manufacturers with 50 or fewer full-time employees and that the remaining half be set aside for manufacturers with 51 to 500 full-time employees. However, the bill authorizes DEV to reallocate the funding if the full amount reserved under one category has been awarded, subject to Controlling Board approval.
- The bill caps the amount of a grant at \$150,000.
- The Attorney General's Office could incur costs associated with clawing back grants from recipients who violate grant terms.

### **Detailed Analysis**

The bill creates the Manufacturing Technologies Assistance Grant Program under the Department of Development (DEV) with appropriations of \$12.0 million in each fiscal year of the FY 2026-FY 2027 biennium under new Fund 5BF1 ALI 1956H6, Manufacturing Tech Assistance. Under the bill, Fund 5BF1 would be capitalized by a transfer of \$24.0 million cash from the GRF. Qualifying manufacturers would use these grants to undertake initiatives that improve their productivity, efficiency, and competitiveness. The bill requires half of the funds in each fiscal year to be used for manufacturers who employ 50 or fewer employees. The other half of the funds are to be used to support manufacturers who have between 51 and 500 employees. However,

the bill permits the DEV Director to obtain Controlling Board approval to reallocate funding to projects submitted by the other group of eligible manufacturers if the full amount available to that other group has been awarded. Grant awards are capped at \$150,000.

The bill lists criteria that grant applicants must meet to qualify for a grant, including a requirement that manufacturers process, assemble, or refine goods at a facility located in Ohio. Eligible manufacturers are those covered under North American Industry Classification System (NAICS) codes 31-33, which encompasses manufactures in a broad range of industry sectors. Eligible applicants must have operated as a manufacturer in Ohio for at least three years before the application date. Other requirements are outlined in [LSC's bill analysis](#).

Under the application process outlined in the bill, DEV is authorized to charge a \$100 nonrefundable application fee. These fees would be deposited into Fund 5BF1 and used to defray the cost of evaluating applications. As part of the grant application process, a manufacturer seeking funding must obtain an assessment of a proposed project by one of the state's six regional affiliates under DEV's Manufacturing Extension Partnership (MEP). DEV may also subject applications to further technical review as outlined in the bill. Once a grant is awarded and the project for which the manufacturer received the grant is finished, the bill requires the manufacturer to submit a report with a project description and itemized project costs, including the amount of private funding used.

Manufacturers would be responsible for reimbursing DEV for ineligible expenses and grant violations. The payment is at the grant amount, reduced by 10% per full year between the date the Department awards the grant and the date of the violation. They would face possible collections from the Attorney General if they do not do so timely. Typically, collection costs are in effect covered by a portion of the amount owed and collected from the indebted party. The Attorney General's collections fee is up to 10% of the amount collected on claims certified, with revenue credited to the Claims Section Fund (Fund 4190). It is unclear whether these normal collections costs would be permitted for these grant funds.