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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 159
136th General Assembly

Fiscal Note & Local Impact Statement

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

Version: As Re-referred to House Finance

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 line item 1956H6, Manufacturing Tech Assistance, in the Department of Development's (DEV) budget to fund grants under a new Manufacturing Technologies Assistance Grant Program. Fund 5BF1 would be capitalized by a transfer of \$24.0 million cash from the GRF.
- The bill caps the amount of a grant at \$150,000.
- Half of the funds would be reserved for projects submitted by manufacturers with 50 or fewer full-time employees. The remaining half would be set aside for manufacturers with 51 to 500 full-time employees. However, funding can be reallocated if the full amount reserved under one category has been awarded.
- 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 the new Manufacturing Technologies Assistance Fund (Fund 5BF1) line item 1956H6, Manufacturing Tech Assistance. 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. Half of the funds in each fiscal year would be used for awards to manufacturers who employ 50 or fewer employees. Grant awards are capped at \$150,000. The other half would 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.

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. 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). 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.