CHAPTER _____

1 AN ACT concerning

Economic Development – Industry 4.0 Technology Grant Program
(Maryland Manufacturing Innovation Act of 2022)

FOR the purpose of establishing the Industry 4.0 Technology Grant Program in the
Department of Commerce to provide grants to certain small and medium–sized
manufacturing enterprises to assist those manufacturers with implementing new
Industry 4.0 technology or related infrastructure for certain purposes; creating the
Maryland Manufacturing 4.0 Initiative Governance Committee; requiring the
Governor to include in the annual budget bill a certain appropriation to the Program;
and generally relating to the Industry 4.0 Technology Grant Program for
manufacturers.

BY adding to

Article – Economic Development
Section 5–1901 and 5–1902 through 5–1903 to be under the new subtitle “Subtitle
19. Industry 4.0 Technology Grant Program”
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Economic Development

SUBTITLE 19. INDUSTRY 4.0 TECHNOLOGY GRANT PROGRAM.
(A) In this subtitle the following words have the meanings indicated.

(B) “Committee” means the Maryland Manufacturing 4.0 Initiative Governance Committee.

(B) (C) (1) “Industry 4.0 technology” means smart hardware and software manufacturing technologies.

(2) “Industry 4.0 technology” includes:

(I) Industrial Internet of Things infrastructure hardware;

(II) Predictive maintenance software, cloud computing and cybersecurity solutions;

(III) Sensor integration into industrial tools and machinery to determine wear or flaws Artificial Intelligence (AI) for continuous improvement of efficiency and productivity;

(IV) Industrial wearable technology integration to prevent employee injuries, robots and autonomous equipment to help automate workflow;

(V) Data analytics and visualization software;

(VI) Sensor transmission of real-time information from factory floor to customers or suppliers Cyber Physical Systems (CPS) to enable seamless communication with other “smart” devices; and

(VII) Radio Frequency Identification (RFID) tagging software and equipment utilized to track inventory augmented reality, virtual reality, and digital twin to digitally represent physical products or systems without requiring investment to iteratively create the actual products.

(D) “Minority business enterprise” has the meaning stated in § 14–301 of the State Finance and Procurement Article.
(E) “Program” means the Industry 4.0 Technology Grant Program.

(F) “SME manufacturer” means a small or medium-sized enterprise manufacturer.

(A) There is a Maryland Manufacturing 4.0 Initiative Governance Committee in the Department.

(B) (1) The Secretary shall appoint the members of the Committee, including representatives of manufacturing organizations in the State and the Department.

(2) The membership of the Committee shall represent the diversity of the State.

(C) The Committee shall:

(1) Research best practices from other states in implementing programs similar to the Program, including eligibility criteria, application processes, program requirements, workforce transition support strategies, and the dissemination of funds;

(2) Establish the Program application process for SME manufacturers that represents best practices;

(3) Establish eligibility criteria for participation in the Program that represent best practices, including with respect to manufacturer size;

(4) Create guidelines for the distribution and use of Program funds that represent best practices; and

(5) In collaboration with the Governor’s Office of Small, Minority, and Women Business Affairs, encourage participation of minority business enterprises in the Program.

5–1902.

(A) There is an Industry 4.0 Technology Grant Program in the Department.
(B) The purpose of the Program is to assist SME manufacturers in adopting Industry 4.0 technology and related infrastructure in order to increase productivity, efficiency, and competitiveness in the State and national manufacturing environment.

(C) To qualify for a grant under the Program, an SME manufacturer shall submit to the Department an application that:

1. Meets the requirements established by the Committee under § 5–1902 of this subtitle;
2. Demonstrates that the company is a qualifying SME manufacturer; and
3. Describes the SME manufacturer’s plans to:
   1. Make a capital investment in the form of smart Industry 4.0 technology manufacturing technologies within its Maryland operation; or
   2. Make a capital investment for the proper infrastructure for implementation of Industry 4.0 technology.

(D) (1) Subject to the limitation under paragraph (2) of this subsection, in awarding grants under the Program, the Department shall award a dollar–for–dollar matching grant for the cost of each eligible project.

2. The Department may not award more than $25,000 in qualifying grants to a single SME manufacturer. A grant awarded to an SME manufacturer shall be at least $25,000.

(E) (1) A grant awarded under the Program may be used, in accordance with the guidelines established by the Committee, for projects that directly affect manufacturing processes and focus on investments in Industry 4.0 technology commercial–ready equipment through established vendors, or related infrastructure.

2. Within 1 year after receiving a grant under the Program, an SME manufacturer shall submit to the Department a letter that:
   1. Describes how the grant funding was used; and
(II) INCLUDES ANY INVOICES RELATED TO THE IMPLEMENTATION OF THE INDUSTRY 4.0 TECHNOLOGY OR RELATED INFRASTRUCTURE.

(3) THE DEPARTMENT MAY REQUIRE A GRANT RECIPIENT THAT FAILS TO FULFILL THE REQUIREMENTS OF THE GRANT TO RETURN ALL OR PART OF THE GRANT TO THE PROGRAM.

(F) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF $5,000,000 ($1,000,000 FOR THE PROGRAM.

(G) THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022. It shall remain effective for a period of 3 years and, at the end of September 30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.