

251--A

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I N A S S E M B L Y

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Introduced by M. of A. MAGNARELLI, FIELDS, LUPARDO, MILLMAN, PHEFFER, SCHIMMINGER, KOON, MARKEY, DESTITO, STIRPE, RAMOS, GORDON -- Multi-Sponsored by -- M. of A. BRENNAN, BRODSKY, CLARK, ESPAILLAT, HOOPER, MCENENY, ROBINSON -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the public authorities law, in relation to creating a regional commercialization technology fund in the New York state foundation for science, technology and innovation; and to amend the executive law, in relation to the research development plan

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 3150 of the public authorities law, as amended by
2 section 4 of part C of chapter 63 of the laws of 2005, is amended to
3 read as follows:
4 S 3150. Definitions. As used in this [section] TITLE:
5 1. "Foundation" shall mean the New York state foundation for science,
6 technology and innovation created by this title;
7 2. "Executive director" shall mean the executive director of the foun-
8 dation;
9 3. "Board" shall mean the New York state foundation for science, tech-
10 nology and innovation board;
11 4. "Regional partnerships" shall mean any association or group which
12 is: (a) comprised of local economic development organizations and a
13 center of excellence as defined by section three of part T of chapter
14 eighty-four of the laws of two thousand two, or in the absence of such
15 center in the region, at least one institution of higher education
16 involved in commercialization efforts similar to such centers of excel-
17 lence and may include a combination of private businesses, business

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 support organizations, commercial lending institutions, venture capital
2 companies, angel investor networks or foundations; (b) formed for the
3 creation and administration of regional partnership programs; and (c)
4 certified by the foundation as the regional partnership;

5 5. "Regional partnership coordinator" shall mean a nonprofit organiza-
6 tion chosen by a regional partnership and certified by the foundation to
7 administer the regional partnership programs;

8 6. "Partnership" shall mean regional partnerships; [and]

9 7. "Coordinator" shall mean regional partnership coordinator[.]; AND

10 8. "RESEARCH ENTITY" SHALL MEAN A NOT-FOR-PROFIT COLLEGE, UNIVERSITY,
11 MEDICAL CENTER, LABORATORY OR OTHER INSTITUTION THAT CONDUCTS AN INTEN-
12 SIVE, ONGOING PROGRAM OF STUDY DIRECTED TOWARD GREATER KNOWLEDGE OF A
13 SCIENTIFIC SUBJECT OR TOWARD APPLYING NEW SCIENTIFIC KNOWLEDGE TO MEET A
14 RECOGNIZED NEED.

15 S 2. The public authorities law is amended by adding a new section
16 3154-a to read as follows:

17 S 3154-A. REGIONAL TECHNOLOGY COMMERCIALIZATION FUND. THE REGIONAL
18 TECHNOLOGY COMMERCIALIZATION FUND IS HEREBY CREATED WITHIN THE FOUNDA-
19 TION ON SCIENCE, TECHNOLOGY AND INNOVATION.

20 1. THE MONIES IN THE FUND SHALL BE MADE AVAILABLE THROUGH A REQUEST
21 FOR PROPOSALS PROCESS TO ACADEMIC RESEARCH INSTITUTIONS, REGIONAL TECH-
22 NOLOGY DEVELOPMENT CORPORATIONS, CENTERS FOR ADVANCED TECHNOLOGY, OR
23 OTHER TECHNOLOGY-BASED ECONOMIC DEVELOPMENT ORGANIZATIONS FOR THE
24 PURPOSES OF PROVIDING:

25 (A) GRANTS TO RESEARCH ENTITIES LOCATED IN NEW YORK STATE TO DEVELOP
26 COMMERCIALY PROMISING RESEARCH DISCOVERIES BEYOND THE CONCEPTUAL STAGE
27 IN ORDER TO FURTHER THE CHANCE OF COMMERCIALIZATION AND INCREASE MARKET
28 VALUE;

29 (B) GRANTS TO START-UP COMPANIES FORMED BY ENTREPRENEURS TO COMMER-
30 CIALIZE INTELLECTUAL PROPERTY LICENSED FROM RESEARCH ENTITIES LOCATED IN
31 NEW YORK STATE;

32 (C) MATCHING GRANTS TO SMALL BUSINESSES IN NEW YORK STATE FOR COOPER-
33 ATIVE APPLIED RESEARCH AND DEVELOPMENT PROJECTS WITH RESEARCH INSTI-
34 TUTIONS TO TRANSLATE PROMISING DISCOVERIES OF THE RESEARCH INSTITUTION
35 INTO COMMERCIALY VIABLE PRODUCTS; AND

36 2. SUCCESSFUL APPLICANTS MAY AWARD INDIVIDUAL GRANTS OR MATCHING
37 GRANTS NOT EXCEEDING ONE HUNDRED THOUSAND DOLLARS FOR THE PURPOSES FOR
38 THIS PROGRAM.

39 3. THE FOUNDATION SHALL ALLOCATE BETWEEN FIVE HUNDRED THOUSAND AND ONE
40 MILLION DOLLARS FOR EACH ELIGIBLE PROPOSAL TO BE USED EXCLUSIVELY TO
41 ACCELERATE THE COMMERCIALIZATION OF DISCOVERIES THAT HAVE THE POTENTIAL
42 TO POSITIVELY IMPACT EXISTING COMPANIES LOCATED IN NEW YORK OR LEAD TO
43 THE FORMATION OF NEW COMPANIES LOCATED IN NEW YORK.

44 4. NO LATER THAN AUGUST FIRST, TWO THOUSAND NINE, AND ANNUALLY THERE-
45 AFTER, THE FOUNDATION SHALL ISSUE A REQUEST FOR PROPOSALS AND THE CRITE-
46 RIA THAT WILL BE USED TO EVALUATE SUCH PROPOSALS FOR USE OF THE REGIONAL
47 TECHNOLOGY COMMERCIALIZATION FUND. SUCH PROPOSALS SHALL INCLUDE, BUT NOT
48 BE LIMITED TO, A DESCRIPTION OF THE EXPECTED SIGNIFICANCE TO NEW YORK
49 STATE, INCLUDING THE ESTIMATED ECONOMIC IMPACT. AWARDS SHALL BE MADE
50 WITHIN NINETY DAYS FOLLOWING THE ISSUANCE OF THE REQUEST FOR PROPOSALS.

51 5. THE FOUNDATION SHALL GIVE PREFERENCE TO THOSE APPLICATIONS THAT
52 DEMONSTRATE COLLABORATION AMONG ACADEMIC RESEARCH INSTITUTIONS, INDUSTRY
53 ASSETS, ECONOMIC DEVELOPMENT ORGANIZATIONS AND WORKFORCE DEVELOPMENT
54 PROGRAMS WITHIN A REGION OF THE STATE AND THAT SHOW THE GREATER POTEN-
55 TIAL FOR COMMERCIAL SUCCESS AND EVENTUAL JOB CREATION IN NEW YORK STATE.

1 S 3. Section 209-p of the executive law, as added by chapter 624 of
2 the laws of 1999, paragraph (c) of subdivision 2, subdivisions 3, 4, 5
3 and 6 as amended by chapter 342 of the laws of 2008, is amended to read
4 as follows:

5 S 209-p. Research development program. 1. There is hereby established
6 the research development program. The program shall include but need not
7 be limited to: the faculty development program, capital facility
8 program, [incentive program,] and centers for advanced technology devel-
9 opment program.

10 2. The office shall provide no later than March first, two thousand, a
11 strategic plan to the governor, the temporary president of the senate
12 and the speaker of the assembly which shall:

13 (a) establish criteria for the awarding of funds made available
14 through the research development program; all awards shall be made on a
15 competitive basis;

16 (b) provide a schedule for issuance of requests for proposals for the
17 research development program awards;

18 (c) provide a schedule for completion of review of proposals submitted
19 by institutions of higher education and research institutions to the
20 office; AND

21 (d) provide procedures for the issuance of awards from the research
22 development program.

23 3. The faculty development program is hereby created to assist insti-
24 tutions of higher education and research institutions with the retention
25 and recruitment of research faculty. Funds appropriated for this program
26 shall be administered by the office pursuant to request for proposals.
27 Consideration for the allocation of awards shall be given to all insti-
28 tutions of higher education and research institutions within the state
29 provided such institutions demonstrate to the satisfaction of the advi-
30 sory council a specific need for such funds and the manner in which such
31 award for the recruitment and retention of research faculty would
32 enhance the research capabilities and reputation of the institution.
33 Criteria for such awards shall include, but not be limited to, the abil-
34 ity of the faculty member to leverage and attract federal funds, venture
35 capital and private industry funds, and the willingness of the faculty
36 member to pursue entrepreneurial enterprises resulting in new business
37 or the expansion of existing business in New York state. The office
38 shall promulgate rules and regulations to establish:

39 (a) the duration of grants for faculty awards;

40 (b) matching funds required from the academic and research insti-
41 tutions;

42 (c) a schedule for an annual reduction of the faculty development
43 award, and a corresponding increase in the matching funds from the
44 academic or research institution; and

45 (d) other rules and regulations deemed necessary by the office for the
46 administration of this program.

47 4. (a) The capital facility program shall provide financing for the
48 design, acquisition, construction, reconstruction, rehabilitation or
49 improvement of research and development facilities, including equipment.
50 Funds appropriated or reappropriated for the capital facility program by
51 chapter six hundred twenty-four of the laws of nineteen hundred ninety-
52 nine shall be awarded to no more than six primary host institutions.

53 (b) Criteria for the issuance of awards by the advisory council shall
54 include but need not be limited to the following: potential future
55 growth and economic impact within New York state of the proposed
56 research to be undertaken at such facilities, available expertise at

1 such campus in the scientific discipline designated for the center for
2 advanced technology and/or the center's host campus, an evaluation of
3 the ability of the proposed research to be undertaken at such facilities
4 to aid existing business and to create new business in New York state,
5 and the ability of the proposal to leverage and attract federal funds,
6 venture capital and private industry funds.

7 (d) The capital facility program shall also provide financing for the
8 reconstruction, rehabilitation or improvement of existing laboratory
9 facilities. Funds available pursuant to this subdivision shall be avail-
10 able for research facilities at all institutions of higher education and
11 research institutions in New York state.

12 (e) The office and the city university construction fund may contract
13 for the construction fund to design, construct, acquire, reconstruct,
14 rehabilitate and improve research and development facilities for those
15 primary host institutions which are senior colleges of the city univer-
16 sity of New York.

17 5. [An incentive program is hereby created to provide additional
18 assistance to technology transfer activities at institutions of higher
19 education and research institutions in the state of New York for the
20 purpose of encouraging technology transfer from institutions of higher
21 education and research institutions to businesses and for commercializa-
22 tion within New York state. Funds appropriated for this program shall be
23 available for personal service expenses to enhance the technology trans-
24 fer abilities of higher education and research institutions to busi-
25 nesses within New York state including but not limited to patent appli-
26 cations, the creation of business and marketing plans, venture capital
27 conferences and non-capital costs associated with the development of
28 real property owned by such institution of higher education or research
29 institution for research and development purposes. Funds awarded under
30 the incentive program shall not exceed fifty percent of the cost of the
31 purpose for which such funds shall be applied.

32 6.] A center for advanced technology development program is created
33 whereby funds shall be awarded to centers for advanced technology for
34 the purpose of enhancing and expanding the existing role of the center
35 in the area for which it is designated. Funds appropriated for the
36 development program shall be awarded to such centers for advanced tech-
37 nology. Criteria for the issuance of awards shall be established by the
38 office and shall include but need not be limited to the economic devel-
39 opment potential of the research undertaken at such center for advanced
40 technology, funding leveraged from other sources including private
41 interests and the federal government, potential of revenues accruing to
42 the institution of higher education or research institution from the
43 licensing of the products of research conducted at such center of
44 advanced technology and the interaction of such center with private
45 industry.

46 S 4. Notwithstanding any other law to the contrary, any appropriations
47 to the New York state foundation for science, technology and innovation
48 board from the general fund, local assistance account for the incentive
49 program part of the research development program established pursuant to
50 section 209-p of the executive law that have not been expended or
51 committed shall be made available for the purposes of the regional tech-
52 nology commercialization fund.

53 S 5. This act shall take effect on the sixtieth day after it shall
54 have become a law.