S T A T E O F N E W Y O R K

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I N S E N A T E

January 11, 2010

Introduced by Sen. KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act, in relation to establishing a biomedical research grants and working capital loan program to promote the state's biomedical research industry and ancillary businesses

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

Section 1. Section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new section 16-t to read as follows:

S 16-T. BIOMEDICAL RESEARCH GRANTS AND WORKING CAPITAL LOAN PROGRAM. 1. DEFINITIONS. FOR THE PURPOSES OF THIS SECTION:

(A) "RESEARCH INSTITUTION" OR "INSTITUTION" SHALL MEAN A PUBLIC, QUASI-PUBLIC OR PRIVATE BIOMEDICAL RESEARCH FACILITY OR INSTITUTION OF HIGHER EDUCATION LOCATED WITHIN THE STATE.

(B) "BIOMEDICAL RESEARCH" SHALL MEAN AND INCLUDE APPLIED SCIENTIFIC RESEARCH IN THE AREA OF BIOMEDICINE INCLUDING, BUT NOT LIMITED TO, PHARMACEUTICAL RESEARCH APPLICATIONS, SURGICAL INSTRUMENTS, FIXED DIAGNOSTIC EQUIPMENT USED TO IDENTIFY, ISOLATE OR TREAT PHYSICAL OR MENTAL ILLNESS, AND BIOCHEMISTRY; OR OTHER RELEVANT BIOMEDICAL RESEARCH.

2. PROGRAM ESTABLISHED. THE CORPORATION SHALL ESTABLISH THE BIOMEDICAL RESEARCH GRANTS AND WORKING CAPITAL LOAN PROGRAM FOR THE PURPOSE OF ESTABLISHING AN ECONOMIC DEVELOPMENT GRANTS AND WORKING CAPITAL REVOLVING LOAN FUND TO BE ADMINISTERED BY THE CORPORATION. SUCH FUND SHALL BE USED TO PROVIDE FINANCIAL ASSISTANCE IN THE FORM OF WORKING CAPITAL LOANS FOR BIOMEDICAL RESEARCH PROJECTS, NEW EQUIPMENT AT BIOMEDICAL RESEARCH INSTITUTIONS, AND FOR, UNDER LIMITED CIRCUMSTANCES, GRANTS FOR SALARIES OF BIOMEDICAL RESEARCHERS, STAFF SUPPORT AND NON-PERSONAL SERVICE AT SUCH RESEARCH INSTITUTIONS.

3. APPLICATION CRITERIA. IN ADDITION TO OTHER CRITERIA AS THE CORPORATION MAY ADOPT FOR THE CONSIDERATION OF APPROVING APPLICATIONS FOR

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

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GRANTS AND LOANS PROVIDED FOR IN SUBDIVISION TWO OF THIS SECTION, THE CORPORATION SHALL:

(A) DETERMINE THAT THE RESEARCH INSTITUTION IS UNABLE TO READILY OBTAIN SUFFICIENT FUNDING ON REASONABLE TERMS FROM OTHER PUBLIC OR PRIVATE SOURCES TO PERMIT THE PLANNED PROJECT TO PROCEED;

(B) GIVE PRIORITY TO THOSE APPLICATIONS FOR ASSISTANCE THAT SECURE A HIGH PORTION OF PRIVATE SUPPORT FOR BIOMEDICAL RESEARCH OR COMMIT NEW RESOURCES TO THE EXPANSION OF BIOMEDICAL RESEARCH AT THE INSTITUTION; AND

(C) CONSIDER THE POTENTIAL LONG TERM ECONOMIC BENEFITS TO THE STATE BY AWARDING THE SPECIFIC GRANT OR LOAN AND WHETHER THE GRANT OR LOAN WILL RESULT IN A REASONABLE LIKELIHOOD OF SUCCESS IN MEETING THE PURPOSES FOR WHICH IT WAS SOUGHT BY THE APPLICANT.

4. SCIENTIFIC PEER REVIEW. THE CORPORATION SHALL ENGAGE THE SERVICES OF CONSULTANTS FOR THE PURPOSE OF CONDUCTING A SCIENTIFIC PEER REVIEW OF ALL APPLICATIONS FOR SUCH GRANTS AND LOANS. SUCH CONSULTANTS SHALL HAVE SUBSTANTIAL EXPERIENCE IN THE ESTABLISHMENT AND MANAGEMENT OF SUCH PEER REVIEW PROCESS AND SHALL MAKE RECOMMENDATIONS TO THE BIOMEDICAL RESEARCH ADVISORY BOARD ESTABLISHED PURSUANT TO SUBDIVISION SIX OF THIS SECTION.

5. FUNDS. THE FUND SHALL CONSIST OF SUCH AMOUNTS AS MAY BE APPROPRIATED, ANY REPAYMENT OF THE PRINCIPAL AMOUNT OF ANY LOAN MADE FROM THE FUND, AND ANY INTEREST EARNED BY THE CORPORATION FROM THE INVESTMENT OF MONEYS OF THE FUND.

6. ADVISORY BOARD. (A) THERE SHALL BE ESTABLISHED IN THE CORPORATION A BIOMEDICAL RESEARCH ADVISORY BOARD WHICH SHALL OVERSEE THE PROCESS OF PROVIDING SUCH FINANCIAL ASSISTANCE. SUCH BOARD SHALL CONSIST OF THIRTEEN VOTING MEMBERS AS FOLLOWS:

(I) THE COMMISSIONER OF HEALTH;

(II) THE COMMISSIONER OF MENTAL HEALTH;

(III) THE CHAIR OF THE STATE HEALTH RESEARCH COUNCIL;

(IV) FOUR MEMBERS APPOINTED BY THE GOVERNOR;

(V) TWO MEMBERS APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE;

(VI) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE ASSEMBLY;

(VII) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE SENATE; AND

(VIII) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY.

(B) THE APPOINTED MEMBERS SHALL EACH HAVE ADVANCED KNOWLEDGE OF OR AN ADVANCED DEGREE IN ONE OF THE FIELDS OF BIOMEDICAL SCIENCES, OR BE A PROMINENT MEMBER OF THE BIOMEDICAL RESEARCH INDUSTRY. SUCH MEMBERS OF THE ADVISORY BOARD SHALL BE RESIDENTS OF THE STATE.

(C) THE APPOINTED MEMBERS SHALL SERVE FOR TERMS OF THREE YEARS. PROVIDED, HOWEVER, THE MEMBERS OF THE ADVISORY BOARD INITIALLY APPOINTED SHALL BE APPOINTED FOR THE FOLLOWING TERMS:

(I) ONE MEMBER APPOINTED BY THE GOVERNOR, ONE MEMBER APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE AND THE MEMBER APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY SHALL BE APPOINTED FOR TERMS OF ONE YEAR;

(II) TWO MEMBERS APPOINTED BY THE GOVERNOR, ONE MEMBER APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE AND ONE MEMBER APPOINTED BY THE SPEAKER OF THE ASSEMBLY SHALL BE APPOINTED FOR TERMS OF TWO YEARS; AND

(III) ONE MEMBER APPOINTED BY THE GOVERNOR, ONE MEMBER APPOINTED BY THE SPEAKER OF THE ASSEMBLY AND THE MEMBER APPOINTED BY THE MINORITY LEADER OF THE SENATE SHALL BE APPOINTED FOR TERMS OF THREE YEARS.

THE MEMBERS SHALL CONTINUE IN OFFICE UNTIL THE EXPIRATION OF THEIR TERMS AND UNTIL THEIR SUCCESSORS ARE APPOINTED AND HAVE QUALIFIED. VACANCIES SHALL BE FILLED BY THE APPOINTING OFFICIAL WHO ORIGINALLY APPOINTED SUCH MEMBER WITHIN ONE YEAR OF THE DATE UPON WHICH SUCH VACANCIES OCCUR.

(D) THE ADVISORY BOARD SHALL MEET AS FREQUENTLY AS ITS BUSINESS MAY REQUIRE, AND AT LEAST ONCE IN EACH CALENDAR YEAR.

(E) ONE MEMBER SHALL BE APPOINTED BY THE CHAIR OF THE CORPORATION, OR BY HIS OR HER DESIGNEE, AS CHAIRPERSON OF THE ADVISORY BOARD.

(F) THE MEMBERS OF THE ADVISORY BOARD SHALL SERVE WITHOUT COMPENSATION, OTHER THAN REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES.

7. REPORTS. THE CHAIRMAN OF THE CORPORATION SHALL SUBMIT TO THE DIRECTOR OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINORITY LEADER OF THE SENATE AND THE MINORITY LEADER OF THE ASSEMBLY EVALUATIONS OF THE EFFECTIVENESS OF THE PROGRAM. SUCH EVALUATIONS SHALL DETERMINE WHETHER THE ASSISTANCE PROVIDED HAS ENHANCED THE BIOMEDICAL RESEARCH INDUSTRY IN THE STATE AND SHALL MAKE RECOMMENDATIONS FOR IMPROVEMENTS WHICH WOULD MAKE THE PROGRAM MORE EFFECTIVE. THE EVALUATIONS SHALL BE SUBMITTED ON OR BEFORE THE FIRST OF JULY OF THE SECOND CALENDAR YEAR NEXT SUCCEEDING THE EFFECTIVE DATE OF THIS SECTION AND ON OR BEFORE THE FIRST OF JULY EVERY SECOND YEAR THEREAFTER.

S 2. This act shall take effect immediately.