

2289--A

2009-2010 Regular Sessions

I N   S E N A T E

February 17, 2009

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Introduced by Sen. STACHOWSKI -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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  
18    support organizations, commercial lending institutions, venture capital  
19    companies, angel investor networks or foundations; (b) formed for the

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

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1 creation and administration of regional partnership programs; and (c)  
2 certified by the foundation as the regional partnership;

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

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

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

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

13 S 2. The public authorities law is amended by adding a new section  
14 3154-a to read as follows:

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

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

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

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

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

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

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

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

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

54 S 3. Section 209-p of the executive law, as added by chapter 624 of  
55 the laws of 1999, paragraph (c) of subdivision 2, subdivisions 3, 4, 5

1 and 6 as amended by chapter 342 of the laws of 2008, is amended to read  
2 as follows:

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

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

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

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

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

19 (d) provide procedures for the issuance of awards from the research  
20 development program.

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

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

38 (b) matching funds required from the academic and research insti-  
39 tutions;

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

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

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

51 (b) Criteria for the issuance of awards by the advisory council shall  
52 include but need not be limited to the following: potential future  
53 growth and economic impact within New York state of the proposed  
54 research to be undertaken at such facilities, available expertise at  
55 such campus in the scientific discipline designated for the center for  
56 advanced technology and/or the center's host campus, an evaluation of

1 the ability of the proposed research to be undertaken at such facilities  
2 to aid existing business and to create new business in New York state,  
3 and the ability of the proposal to leverage and attract federal funds,  
4 venture capital and private industry funds.

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

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

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

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

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

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