



General Assembly

Bill No. 1401

October Special Session,
2011

LCO No. 8922

*08922 _____ *

Referred to Committee on No Committee

Introduced by:

SEN. WILLIAMS, 29th Dist.

REP. DONOVAN, 84th Dist.

**AN ACT ESTABLISHING THE CONNECTICUT BIOSCIENCE
COLLABORATION PROGRAM.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section:

3 (1) "Corporation" means Connecticut Innovations, Incorporated;

4 (2) "Board" means the board of directors of Connecticut Innovations,
5 Incorporated;

6 (3) "Internal Revenue Code" means the Internal Revenue Code of
7 1986, or any subsequent corresponding internal revenue code of the
8 United States, as amended from time to time.

9 (b) There is established within Connecticut Innovations,
10 Incorporated the Connecticut Bioscience Collaboration program. Said
11 program shall support the establishment of a bioscience cluster
12 anchored by a research laboratory housed at The University of

13 Connecticut Health Center as provided in this subsection.

14 (1) The corporation shall work in collaboration with an organization
15 exempt from taxation under Section 501(c)(3) of the Internal Revenue
16 Code to develop, construct and equip a structure for use as a research
17 laboratory and office building operation. The board may provide loans
18 to such organization for the purpose of developing, constructing and
19 equipping such structure. The board shall review and approve loan
20 terms and conditions, and may require matching funds from private or
21 nonstate entities. The board may allow payment on such loans to be
22 deferred, and may forgive all or part of such loans, based upon the
23 board's assessment of such organization's fulfillment of the loan terms
24 and conditions.

25 (2) The corporation may, at the direction of the board, provide an
26 annual operations, research and development grant to such
27 organization for annual operating expenses and bioscience medical
28 research, including research on stem cells, DNA (deoxyribonucleic
29 acid), systems genomics and genome-based medicine.

30 (3) The corporation may, at the direction of the board, enter into
31 venture agreements with such organization, upon such terms and
32 conditions as would benefit the state, such organization and other
33 private sector entities involved in the bioscience cluster.

34 (c) (1) There is hereby created a "Connecticut Bioscience
35 Collaboration Fund". Said fund shall be held and administered by
36 Connecticut Innovations, Incorporated separate and apart from all
37 other funds and accounts of the corporation. Amounts authorized by
38 the State Bond Commission in accordance with section 2 of this act
39 shall be paid to the corporation for deposit into the Connecticut
40 Bioscience Collaboration Fund.

41 (2) Any funds or revenues of the corporation derived from
42 investment income or loan repayments received by the corporation in
43 connection with the Connecticut Bioscience Collaboration program

44 shall be held, administered and invested by the corporation or
45 deposited with and invested by any institution as may be designated
46 by the corporation at its sole discretion and paid as the corporation
47 shall direct. All moneys in such accounts shall be used and applied to
48 carry out the purposes of said program. The corporation may make
49 payments from such accounts to the Connecticut Bioscience
50 Collaboration Fund for use in accordance with subdivision (3) of this
51 subsection.

52 (3) The moneys in the Connecticut Bioscience Collaboration Fund
53 shall be used to carry out the purposes of the Connecticut Bioscience
54 Collaboration program, as enumerated in subsection (b) of this section,
55 and for the repayment of state bonds in such amounts as may be
56 required by the State Bond Commission pursuant to section 2 of this
57 act.

58 (d) (1) The board shall establish an application process, with
59 guidelines and terms for grants and loans awarded under the
60 Connecticut Bioscience Collaboration program. The board shall review
61 and approve each such application.

62 (2) Not later than April 15, 2012, and quarterly thereafter, the board
63 shall provide a report, in accordance with the provisions of section 11-
64 4a of the general statutes, to the joint standing committees of the
65 General Assembly having cognizance of matters relating to finance,
66 revenue and bonding, appropriations, commerce and higher
67 education. Such report shall contain available information on the status
68 and progress of the operations and funding of the Connecticut
69 Bioscience Collaboration program.

70 (3) The executive director of the corporation shall prepare for each
71 fiscal year an operating and capital budget for the Connecticut
72 Bioscience Collaboration program. Not later than ninety days prior to
73 the start of the fiscal year, the executive director shall submit the
74 budget to the board. The board shall submit a copy of such annual
75 budget, in accordance with the provisions of section 11-4a of the

76 general statutes, to the Governor, the Secretary of the Office of Policy
77 and Management, and the joint standing committees of the General
78 Assembly having cognizance of matters relating to finance, revenue
79 and bonding, appropriations, commerce and higher education.

80 Sec. 2. (NEW) (*Effective from passage*) (a) The State Bond Commission
81 shall authorize the issuance of bonds of the state, in accordance with
82 the provisions of section 3-20 of the general statutes, in principal
83 amounts not exceeding in the aggregate two hundred ninety million
84 six hundred eighty-five thousand dollars for the Connecticut Bioscience
85 Collaboration program established pursuant to section 1 of this act.
86 The amount authorized for the issuance and sale of bonds in
87 accordance with this section shall not exceed the amount authorized in
88 each fiscal year in the following amounts, provided, to the extent the
89 board of directors of Connecticut Innovations, Incorporated does not
90 provide for the use of all or a portion of such amount in a fiscal year,
91 such amount not provided for shall be carried forward and added to
92 the authorized amount for the next succeeding fiscal year, and
93 provided further, the costs of issuance and capitalized interest, if any,
94 may be added to the capped amount in each fiscal year, and each of
95 the authorized amounts shall be effective on July first of the fiscal year
96 indicated as follows:

T1	Fiscal Year Ending June 30	Amount
T2		
T3	2012	\$34,162,000
T4	2013	85,113,000
T5	2014	59,728,000
T6	2015	19,669,000
T7	2016	21,425,000
T8	2017	21,108,000
T9	2018	15,820,000
T10	2019	12,525,000
T11	2020	10,565,000
T12	2021	10,570,000
T13		
T14	Total	\$290,685,000

97 (b) The State Bond Commission shall approve a memorandum of
98 understanding between the board of directors of Connecticut
99 Innovations, Incorporated and the state, acting by and through the
100 Secretary of the Office of Policy and Management and the Treasurer,
101 providing for the issuance of said bonds for the purposes of the
102 Connecticut Bioscience Collaboration program, including provisions
103 regarding the extent to which federal, private or other moneys then
104 available or thereafter to be made available for costs should be added
105 to the proceeds of the bonds authorized pursuant to this section for
106 such project or program. The memorandum of understanding shall be
107 deemed to satisfy the provisions of section 3-20 of the general statutes
108 and the exercise of any right or power granted thereby which is not
109 inconsistent with the provisions of this section.

110 (c) All provisions of section 3-20 of the general statutes, or the
111 exercise of any right or power granted thereby, which are not
112 inconsistent with the provisions of this section are hereby adopted and
113 shall apply to all bonds authorized the State Bond Commission
114 pursuant to this section. Temporary notes in anticipation of the money
115 to be derived from the sale of any such bonds so authorized may be
116 issued in accordance with said section 3-20, and from time to time
117 renewed. All bonds issued pursuant to this section shall be general
118 obligations of the state and the full faith and credit of the state of
119 Connecticut are pledged for the payment of the principal of and
120 interest on said bonds as the same become due, and accordingly and as
121 part of the contract of the state with the holders of said bonds,
122 appropriation of all amounts necessary for punctual payment of such
123 principal and interest is hereby made, and the Treasurer shall pay such
124 principal and interest as the same become due.

125 (d) Subject to the amount of limitations of the capping provisions in
126 subsection (a) of this section, the principal amount of the bonds
127 authorized under this section shall be deemed to be an appropriation
128 and allocation of such amount, and such approval of such request shall

129 be deemed the allotment by the Governor of such capital outlays
130 within the meaning of section 4-85 of the general statutes.

131 Sec. 3. Subdivision (37) of section 32-39 of the general statutes, as
132 amended by section 136 of public act 11-80, is repealed and the
133 following is substituted in lieu thereof (*Effective from passage*):

134 (37) To provide financial aid to enable biotechnology, bioscience
135 and other technology companies to lease, acquire, construct, maintain,
136 repair, replace or otherwise obtain and maintain production, testing,
137 research, development, manufacturing, laboratory and related and
138 other facilities, improvements and equipment;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	32-39(37)