



General Assembly

February Session, 2014

**Governor's Bill No. 5042**

LCO No. 589



Referred to Committee on COMMERCE

Introduced by:

REP. SHARKEY, 88<sup>th</sup> Dist.  
REP. ARESIMOWICZ, 30<sup>th</sup> Dist.  
SEN. WILLIAMS, 29<sup>th</sup> Dist.  
SEN. LOONEY, 11<sup>th</sup> Dist.

***AN ACT CONCERNING THE REGENERATIVE MEDICINE RESEARCH FUND.***

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

1 Section 1. Subsection (a) of section 19a-32d of the 2014 supplement  
2 to the general statutes is repealed and the following is substituted in  
3 lieu thereof (*Effective October 1, 2014*):

4 (a) As used in sections 19a-32d to 19a-32g, inclusive, as amended by  
5 this act, and section 4-28e, as amended by this act:

6 (1) "Embryonic stem cell research oversight committee" means a  
7 committee established in accordance with the National Academies'  
8 Guidelines for Human Embryonic Stem Cell Research, as amended  
9 from time to time.

10 (2) "Cloning of a human being" means inducing or permitting a

11 replicate of a living human being's complete set of genetic material to  
12 develop after gastrulation commences.

13 (3) "Gastrulation" means the process immediately following the  
14 blastula state when the hollow ball of cells representing the early  
15 embryo undergoes a complex and coordinated series of movements  
16 that results in the formation of the three primary germ layers, the  
17 ectoderm, mesoderm and endoderm.

18 (4) "Embryonic stem cells" means cells created through the joining of  
19 a human egg and sperm or through nuclear transfer that are  
20 sufficiently undifferentiated such that they cannot be identified as  
21 components of any specialized cell type.

22 (5) "Nuclear transfer" means the replacement of the nucleus of a  
23 human egg with a nucleus from another human cell.

24 (6) "Eligible institution" means (A) a nonprofit, tax-exempt academic  
25 institution of higher education, (B) a hospital that conducts biomedical  
26 research, or (C) any entity that conducts biomedical research or  
27 [embryonic or human adult stem cell] regenerative medicine research.

28 (7) "Regenerative medicine" means the process of creating living,  
29 functional tissue to repair or replace tissue or organ function lost due  
30 to aging, disease, damage or congenital defect.

31 Sec. 2. Section 19a-32e of the general statutes is repealed and the  
32 following is substituted in lieu thereof (*Effective October 1, 2014*):

33 (a) There is established the ["Stem Cell Research Fund"]  
34 "Regenerative Medicine Research Fund", which shall be a separate,  
35 nonlapsing account within the General Fund. The fund may contain  
36 any moneys required or permitted by law to be deposited in the fund  
37 and any funds received from any public or private contributions, gifts,  
38 grants, donations, bequests or devises to the fund. [The Commissioner  
39 of Public Health may] The chief executive officer of Connecticut

40 Innovations, Incorporated shall, as directed by the Bioscience  
41 Innovation Advisory Committee established pursuant to section 32-  
42 41bb, (1) make grants-in-aid from the fund in accordance with the  
43 provisions of subsection (b) of this section, and (2) enter into  
44 agreements with other entities, including, but not limited to, the  
45 government of any state or foreign country for the purpose of  
46 advancing research collaboration opportunities for recipients of grants-  
47 in-aid under this section.

48 (b) [Not later than June 30, 2006, the Stem Cell] The Regenerative  
49 Medicine Research Advisory Committee established pursuant to  
50 section 19a-32f, as amended by this act, shall develop an application  
51 for grants-in-aid under this section for the purpose of conducting  
52 [embryonic or human adult stem cell] regenerative medicine research  
53 and may receive applications from eligible institutions for such grants-  
54 in-aid. [on and after said date. The Stem Cell] The Regenerative  
55 Medicine Research Advisory Committee shall require any applicant  
56 for a grant-in-aid under this section to conduct [stem cell] regenerative  
57 medicine research to submit (1) a complete description of the  
58 applicant's organization, (2) the applicant's plans for [stem cell]  
59 regenerative medicine research and proposed funding for such  
60 research from sources other than the state, [of Connecticut,] and (3)  
61 proposed arrangements concerning financial benefits to the state [of  
62 Connecticut] as a result of any patent, royalty payment or similar  
63 rights developing from any [stem cell] proposed research made  
64 possible by the awarding of such grant-in-aid. [Said committee shall  
65 direct the Commissioner of Public Health] The Regenerative Medicine  
66 Research Advisory Committee shall make recommendations to the  
67 Bioscience Innovation Advisory Committee with respect to the  
68 awarding of such grants-in-aid after considering recommendations  
69 from the [Stem Cell] Regenerative Medicine Research Peer Review  
70 Committee established pursuant to section 19a-32g, as amended by  
71 this act. The chief executive officer of Connecticut Innovations,  
72 Incorporated shall award such grants-in-aid as directed by the

73 Bioscience Innovation Advisory Committee after said committee  
74 considers the recommendations of the Regenerative Medicine Research  
75 Advisory Committee.

76 (c) Commencing with the fiscal year ending June 30, 2006, and for  
77 each of the [nine] eleven consecutive fiscal years thereafter, until the  
78 fiscal year ending June 30, [2015] 2017, not less than ten million dollars  
79 shall be available from the [Stem Cell] Regenerative Medicine Research  
80 Fund for grants-in-aid to eligible institutions for the purpose of  
81 conducting [embryonic or human adult stem cell research, as directed  
82 by the Stem Cell Research Advisory Committee established pursuant  
83 to section 19a-32f] regenerative medicine research. Any balance of such  
84 amount not used for such grants-in-aid during a fiscal year shall be  
85 carried forward for the fiscal year next succeeding for such grants-in-  
86 aid.

87 Sec. 3. Section 19a-32f of the general statutes is repealed and the  
88 following is substituted in lieu thereof (*Effective October 1, 2014*):

89 (a) (1) There is established a [Stem Cell] Regenerative Medicine  
90 Research Advisory Committee. The committee shall consist of the  
91 Commissioner of Public Health, or the commissioner's designee, the  
92 chief executive officer of Connecticut Innovations, Incorporated, or the  
93 chief executive officer's designee, and eight members who shall be  
94 appointed as follows: Two by the Governor, one of whom shall be  
95 nationally recognized as an active investigator in the field of [stem cell]  
96 regenerative medicine research and one of whom shall have  
97 background and experience in the field of bioethics; one each by the  
98 president pro tempore of the Senate and the speaker of the House of  
99 Representatives, who shall have background and experience in private  
100 sector [stem cell] regenerative medicine research and development;  
101 one each by the majority leaders of the Senate and House of  
102 Representatives, who shall be academic researchers specializing in  
103 [stem cell] regenerative medicine research; one by the minority leader  
104 of the Senate, who shall have background and experience in either

105 private or public sector [stem cell] regenerative medicine research and  
106 development or related research fields, including, but not limited to,  
107 embryology, genetics or cellular biology; and one by the minority  
108 leader of the House of Representatives, who shall have background  
109 and experience in business or financial investments. Members shall  
110 serve for a term of four years commencing on October first, except that  
111 members first appointed by the Governor and the majority leaders of  
112 the Senate and House of Representatives shall serve for a term of two  
113 years. No member may serve for more than two consecutive four-year  
114 terms and no member may serve concurrently on the [Stem Cell]  
115 Regenerative Medicine Research Peer Review Committee established  
116 pursuant to section 19a-32g, as amended by this act. All initial  
117 appointments to the committee shall be made by October 1, 2005. Any  
118 vacancy shall be filled by the appointing authority.

119 (2) On and after July 1, 2006, the [advisory committee] Regenerative  
120 Medicine Research Advisory Committee shall include eight additional  
121 members who shall be appointed as follows: Two by the Governor,  
122 one of whom shall be nationally recognized as an active investigator in  
123 the field of [stem cell] regenerative medicine research and one of  
124 whom shall have background and experience in the field of ethics; one  
125 each by the president pro tempore of the Senate and the speaker of the  
126 House of Representatives, who shall have background and experience  
127 in private sector [stem cell] regenerative medicine research and  
128 development; one each by the majority leaders of the Senate and  
129 House of Representatives, who shall be academic researchers  
130 specializing in [stem cell] regenerative medicine research; one by the  
131 minority leader of the Senate, who shall have background and  
132 experience in either private or public sector [stem cell] regenerative  
133 medicine research and development or related research fields,  
134 including, but not limited to, embryology, genetics or cellular biology;  
135 and one by the minority leader of the House of Representatives, who  
136 shall have background and experience in business or financial  
137 investments. Members shall serve for a term of four years, except that

138 (A) members first appointed by the Governor and the majority leaders  
139 of the Senate and House of Representatives pursuant to this  
140 subdivision shall serve for a term of two years and three months, and  
141 (B) members first appointed by the remaining appointing authorities  
142 shall serve for a term of four years and three months. No member  
143 appointed pursuant to this subdivision may serve for more than two  
144 consecutive four-year terms and no such member may serve  
145 concurrently on the [Stem Cell] Regenerative Medicine Research Peer  
146 Review Committee established pursuant to section 19a-32g, as  
147 amended by this act. All initial appointments to the committee  
148 pursuant to this subdivision shall be made by July 1, 2006. Any  
149 vacancy shall be filled by the appointing authority.

150 [(b) The Commissioner of Public Health, or the commissioner's  
151 designee, shall serve as the chairperson of the committee and shall  
152 schedule the first meeting of the committee, which shall be held no  
153 later than December 1, 2005.]

154 (b) The chief executive officer of Connecticut Innovations,  
155 Incorporated, or the chief executive officer's designee, shall serve as  
156 chairperson of the Regenerative Medicine Research Advisory  
157 Committee.

158 (c) All members appointed to [the] said advisory committee shall  
159 work to advance [embryonic and human adult stem cell] regenerative  
160 medicine research. Any member who fails to attend three consecutive  
161 meetings or who fails to attend fifty per cent of all meetings held  
162 during any calendar year shall be deemed to have resigned from [the]  
163 said advisory committee.

164 (d) Notwithstanding the provisions of any other law, it shall not  
165 constitute a conflict of interest for a trustee, director, partner, officer,  
166 stockholder, proprietor, counsel or employee of any eligible institution,  
167 or for any other individual with a financial interest in any eligible  
168 institution, to serve as a member of [the] said advisory committee. All

169 members shall be deemed public officials and shall adhere to the code  
170 of ethics for public officials set forth in chapter 10. Members may  
171 participate in the affairs of [the] said advisory committee with respect  
172 to the review or consideration of grant-in-aid applications, including  
173 the approval or disapproval of such applications, except that no  
174 member shall participate in the affairs of [the] said advisory committee  
175 with respect to the review or consideration of any grant-in-aid  
176 application filed by such member or by any eligible institution in  
177 which such member has a financial interest, or with whom such  
178 member engages in any business, employment, transaction or  
179 professional activity.

180 (e) The [Stem Cell] Regenerative Medicine Research Advisory  
181 Committee shall (1) develop, in consultation with [the Commissioner  
182 of Public Health] Connecticut Innovations, Incorporated, a donated  
183 funds program to encourage the development of funds other than state  
184 appropriations for [embryonic and human adult stem cell]  
185 regenerative medicine research in [this] the state, (2) examine and  
186 identify specific ways to improve and promote for-profit and not-for-  
187 profit [embryonic and human adult stem cell] regenerative medicine  
188 research and [related] research in related areas in the state, including,  
189 but not limited to, identifying both public and private funding sources  
190 for such research, maintaining existing [embryonic and human adult  
191 stem-cell-related] regenerative medicine-related businesses, recruiting  
192 new [embryonic and human adult stem-cell-related] regenerative  
193 medicine-related businesses to the state and recruiting scientists and  
194 researchers in such field to the state, (3) [establish and] administer, in  
195 consultation with [the Commissioner of Public Health] the Bioscience  
196 Innovation Advisory Committee and Connecticut Innovations,  
197 Incorporated, a [stem cell] regenerative medicine research grant  
198 program [which] that shall provide grants-in-aid to eligible institutions  
199 for the advancement of [embryonic or human adult stem cell]  
200 regenerative medicine research in [this] the state pursuant to section  
201 19a-32e, [and] as amended by this act, (4) monitor the [stem cell]

202 regenerative medicine research conducted by eligible institutions that  
203 receive such grants-in-aid, and (5) prepare a comprehensive strategic  
204 plan for the Regenerative Medicine Research Fund, established  
205 pursuant to section 19a-32e, as amended by this act, and grants-in-aid  
206 made from said fund that shall include, but need not be limited to,  
207 identification of specific methods or strategies to (A) achieve the  
208 scientific and economic development objective of said fund, (B) build  
209 innovation capacity, and (C) sustain investments of moneys received  
210 by said fund.

211 (f) Connecticut Innovations, Incorporated shall serve as  
212 administrative staff of the [committee] Regenerative Medicine  
213 Research Advisory Committee and shall assist [the] said advisory  
214 committee in: (1) [developing] Developing the application for the  
215 grants-in-aid authorized under subsection [(e) of this section,] (b) of  
216 section 19a-32e, as amended by this act; (2) reviewing such  
217 applications; [ ] (3) reviewing recommendations of the Regenerative  
218 Medicine Research Peer Review Committee, established pursuant to  
219 section 19a-32g, as amended by this act; (4) preparing and executing  
220 any assistance agreements or other agreements in connection with the  
221 awarding of such grants-in-aid; [, and (4)] (5) developing performance  
222 metrics and systems to collect data from recipients of such grants-in-  
223 aid; (6) collecting information from recipients of such grants-in-aid  
224 concerning each recipient's (A) employment statistics, (B) business  
225 accomplishments and performance outcomes, (C) peer review articles  
226 and papers published, (D) partnerships and collaborations with other  
227 entities, (E) licenses, patents and invention disclosures, (F) scientific  
228 progress as it relates to the commercialization of intellectual property  
229 funded by such grants-in-aid, (G) efforts to commercialize such  
230 intellectual property, and (H) other funds received for research; and (7)  
231 performing such other administrative duties as the [committee]  
232 Regenerative Medicine Research Advisory Committee deems  
233 necessary.

234 Sec. 4. Section 19a-32g of the general statutes is repealed and the

235 following is substituted in lieu thereof (*Effective October 1, 2014*):

236 (a) (1) There is established a [Stem Cell] Regenerative Medicine  
237 Research Peer Review Committee. [The] Said peer review committee  
238 shall consist of five members, [appointed by the Commissioner of  
239 Public Health.]

240 [All] (2) On and before September 30, 2014, members appointed by  
241 the Commissioner of Public Health to the committee shall (A) have  
242 demonstrated knowledge and understanding of the ethical and  
243 medical implications of [embryonic and human adult stem cell]  
244 regenerative medicine research or related research fields, including,  
245 but not limited to, embryology, genetics or cellular biology, (B) have  
246 practical research experience in [human adult or embryonic stem cell]  
247 regenerative medicine research or related research fields, including,  
248 but not limited to, embryology, genetics or cellular biology, and (C)  
249 work to advance [embryonic and human adult stem cell] regenerative  
250 medicine research. Members shall serve for a term of four years  
251 commencing on October first, except that three members first  
252 appointed by the Commissioner of Public Health shall serve for a term  
253 of two years. No member may serve for more than two consecutive  
254 four-year terms and no member may serve concurrently on the [Stem  
255 Cell] Regenerative Medicine Research Advisory Committee  
256 established pursuant to section 19a-32f, as amended by this act. All  
257 initial appointments to [the] said peer review committee shall be made  
258 by October 1, 2005. Any member who fails to attend three consecutive  
259 meetings or who fails to attend fifty per cent of all meetings held  
260 during any calendar year shall be deemed to have resigned from [the]  
261 said peer review committee.

262 [(2) The Commissioner of Public Health may appoint such  
263 additional members to the Stem Cell Research Peer Review Committee  
264 as the commissioner deems necessary for the review of applications for  
265 grants-in-aid, provided the total number of Stem Cell Research Peer  
266 Review Committee members does not exceed fifteen. Such additional

267 members shall be appointed as provided in subdivision (1) of this  
268 subsection, except that such additional members shall serve for a term  
269 of two years from the date of appointment.]

270 (3) On and after October 1, 2014, each member appointed by the  
271 Commissioner of Public Health pursuant to subdivision (2) of this  
272 subsection may serve to the conclusion of his or her current term at  
273 which time members shall be appointed by the chief executive officer  
274 of Connecticut Innovations, Incorporated as follows: Members  
275 appointed to said peer review committee shall: (A) Have demonstrated  
276 knowledge and understanding of the ethical and medical implications  
277 of regenerative medicine research or research in a related field,  
278 including, but not limited to, embryology, genetics or cellular biology;  
279 (B) have practical research experience in regenerative medicine  
280 research or research in a related field, including, but not limited to,  
281 embryology, genetics or cellular biology; and (C) work to advance  
282 regenerative medicine research. Members shall serve for a term of four  
283 years, except that three members first appointed by the chief executive  
284 officer of Connecticut Innovations, Incorporated shall serve for a term  
285 of two years. No member may serve for more than two consecutive  
286 four-year terms and no member may serve concurrently on the  
287 Regenerative Medicine Research Advisory Committee established  
288 pursuant to section 19a-32f, as amended by this act. Any member who  
289 fails to attend three consecutive meetings or who fails to attend fifty  
290 per cent of all meetings held during any calendar year shall be deemed  
291 to have resigned from said peer review committee.

292 (b) All members shall be deemed public officials and shall adhere to  
293 the code of ethics for public officials set forth in chapter 10. No  
294 member shall participate in the affairs of the committee with respect to  
295 the review or consideration of any grant-in-aid application filed by  
296 such member or by any eligible institution in which such member has  
297 a financial interest, or with which such member engages in any  
298 business, employment, transaction or professional activity.

299 (c) Prior to [the] Connecticut Innovations, Incorporated awarding  
300 [of] any grants-in-aid for [embryonic or human adult stem cell]  
301 regenerative medicine research pursuant to section 19a-32e, as  
302 amended by this act, the [Stem Cell] Regenerative Medicine Research  
303 Peer Review Committee shall review all applications submitted by  
304 eligible institutions for such grants-in-aid and make recommendations  
305 to the [Commissioner of Public Health and the Stem Cell] Regenerative  
306 Medicine Research Advisory Committee established pursuant to  
307 section 19a-32f, as amended by this act, with respect to the ethical and  
308 scientific merit of each application.

309 (d) [Peer review committee members] Members of the Regenerative  
310 Medicine Research Peer Review Committee may receive compensation  
311 from [the Stem Cell Research Fund, established pursuant to section  
312 19a-32e,] Connecticut Innovations, Incorporated for reviewing grant-  
313 in-aid applications submitted by eligible institutions. [pursuant to  
314 subsection (c) of this section.] The rate of compensation shall be  
315 established by the [Commissioner of Public Health in consultation  
316 with the Department of Administrative Services and the Office of  
317 Policy and Management] board of directors of Connecticut  
318 Innovations, Incorporated.

319 (e) The Regenerative Medicine Research Peer Review Committee  
320 shall establish guidelines for the rating and scoring of such  
321 applications. [by the Stem Cell Research Peer Review Committee.]

322 (f) All members of [the] said peer review committee shall become  
323 and remain fully cognizant of the National Academies' Guidelines for  
324 Human Embryonic Stem Cell Research, as amended from time to time,  
325 and shall utilize said guidelines to evaluate each grant-in-aid  
326 application. [The committee may make recommendations to the Stem  
327 Cell Research Advisory Committee and the Commissioner of Public  
328 Health concerning the adoption of said guidelines, in whole or in part,  
329 in the form of regulations adopted pursuant to chapter 54.]

330 Sec. 5. Subsection (e) of section 32-41bb of the 2014 supplement to  
331 the general statutes is repealed and the following is substituted in lieu  
332 thereof (*Effective October 1, 2014*):

333 (e) Notwithstanding any provision of the general statutes, it shall  
334 not constitute a conflict of interest for a trustee, director, partner,  
335 officer, manager, shareholder, proprietor, counsel or employee of an  
336 eligible recipient, or any individual with a financial interest in an  
337 eligible recipient, to serve as a member of the advisory committee,  
338 provided such trustee, director, partner, officer, manager, shareholder,  
339 proprietor, counsel, employee or individual shall abstain from  
340 deliberation, action or vote by the advisory committee in specific  
341 respect to such eligible recipient. All members of the advisory  
342 committee shall be deemed public officials and shall adhere to the code  
343 of ethics for public officials set forth in chapter 10.

344 Sec. 6. Subsection (c) of section 4-28e of the 2014 supplement to the  
345 general statutes is repealed and the following is substituted in lieu  
346 thereof (*Effective October 1, 2014*):

347 (c) (1) For the fiscal year ending June 30, 2001, disbursements from  
348 the Tobacco Settlement Fund shall be made as follows: (A) To the  
349 General Fund in the amount identified as "Transfer from Tobacco  
350 Settlement Fund" in the General Fund revenue schedule adopted by  
351 the General Assembly; (B) to the Department of Mental Health and  
352 Addiction Services for a grant to the regional action councils in the  
353 amount of five hundred thousand dollars; and (C) to the Tobacco and  
354 Health Trust Fund in an amount equal to nineteen million five  
355 hundred thousand dollars.

356 (2) For the fiscal year ending June 30, 2002, and each fiscal year  
357 thereafter, disbursements from the Tobacco Settlement Fund shall be  
358 made as follows: (A) To the Tobacco and Health Trust Fund in an  
359 amount equal to twelve million dollars, except in the fiscal years  
360 ending June 30, 2014, and June 30, 2015, said disbursement shall be in

361 an amount equal to six million dollars; (B) to the Biomedical Research  
362 Trust Fund in an amount equal to four million dollars; (C) to the  
363 General Fund in the amount identified as "Transfer from Tobacco  
364 Settlement Fund" in the General Fund revenue schedule adopted by  
365 the General Assembly; and (D) any remainder to the Tobacco and  
366 Health Trust Fund.

367 (3) For each of the fiscal years ending June 30, 2008, to June 30, 2012,  
368 inclusive, the sum of ten million dollars shall be disbursed from the  
369 Tobacco Settlement Fund to the [Stem Cell] Regenerative Medicine  
370 Research Fund established by section 19a-32e, as amended by this act,  
371 for grants-in-aid to eligible institutions for the purpose of conducting  
372 embryonic or human adult stem cell research.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	19a-32d(a)
Sec. 2	<i>October 1, 2014</i>	19a-32e
Sec. 3	<i>October 1, 2014</i>	19a-32f
Sec. 4	<i>October 1, 2014</i>	19a-32g
Sec. 5	<i>October 1, 2014</i>	32-41bb(e)
Sec. 6	<i>October 1, 2014</i>	4-28e(c)

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*