

Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 06-0833.01 Michele Hanigsberg

HOUSE BILL 06-1360

HOUSE SPONSORSHIP

Riesberg,

SENATE SPONSORSHIP

Tupa,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE ADVANCEMENT OF NEW BIOSCIENCE DISCOVERIES
102 AT COLORADO RESEARCH INSTITUTIONS THROUGH
103 EVALUATION, AND MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Creates in the Colorado office of economic development ("office") the bioscience discovery evaluation grant program ("program") for the purpose of improving and expanding the evaluation of new bioscience discoveries at research institutions. Requires the office to administer the program and the director of the office to consult with a Colorado bioscience membership organization in the implementation of the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
May 1, 2006

HOUSE
3rd Reading Unamended
April 4, 2006

HOUSE
Amended 2nd Reading
April 3, 2006

program.

Specifies that the program shall provide grants to offices of technology transfer at research institutions on a statewide basis in amounts of up to \$150,000 per bioscience research project. Specifies the eligibility criteria for the program and reporting requirements for both the grantees and the office. Creates the bioscience discovery evaluation cash fund for the costs associated with implementing and administering the program.

Transfers \$2,000,000 of the general fund portion of limited gaming fund moneys to the program.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 48.5 of title 24, Colorado Revised Statutes,
3 is amended BY THE ADDITION OF A NEW SECTION to read:

4 **24-48.5-108. Bioscience research - evaluation - grants - fund.**

5 (1) **Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS THAT:

6 (I) ADDITIONAL RESOURCES ARE NEEDED TO ASSIST IN IMPROVING
7 AND ACCELERATING THE EVALUATION PROCESS FOR BIOSCIENCE
8 RESEARCH DISCOVERIES TO DETERMINE THE BEST DISPOSITION OF THESE
9 DISCOVERIES;

10 (II) THE PROCESS OF ADVANCING BIOSCIENCE RESEARCH
11 DISCOVERIES TOWARD COMMERCIALIZATION NEEDS TO BE ACCELERATED
12 TO SUPPORT THE DEVELOPMENT OF NEW BIOSCIENCE PRODUCTS AND
13 SERVICES IN COLORADO;

14 (III) THE DEVELOPMENT OF PRODUCTS AND SERVICES FROM
15 RESEARCH DISCOVERIES THAT ORIGINATE IN COLORADO'S RESEARCH
16 INSTITUTIONS WILL CREATE NEW BIOSCIENCE COMPANIES AND ADDITIONAL
17 PRIMARY JOBS IN COLORADO.

18 (b) THE GENERAL ASSEMBLY, THEREFORE, DECLARES THAT IT IS IN
19 THE BEST INTERESTS OF THE STATE'S ECONOMIC GROWTH TO DEDICATE
20 FINANCIAL RESOURCES TO FACILITATE THE DEVELOPMENT OF NEW

1 BIOSCIENCE RESEARCH DISCOVERIES IN COLORADO AND PROMOTE
2 COLORADO-BASED BIOSCIENCE TECHNOLOGIES.

3 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
4 OTHERWISE REQUIRES:

5 (a) "BIOSCIENCE RESEARCH" MEANS THE BASIC, APPLIED, OR
6 TRANSLATIONAL RESEARCH THAT LEADS TO THE DEVELOPMENT OF
7 THERAPEUTICS, DIAGNOSTICS, OR DEVICES TO IMPROVE HUMAN HEALTH OR
8 AGRICULTURE.

9 (b) "DIRECTOR" MEANS THE DIRECTOR OF THE COLORADO OFFICE
10 OF ECONOMIC DEVELOPMENT.

11 (c) "OFFICE OF TECHNOLOGY TRANSFER" MEANS AN OFFICE THAT
12 IS AFFILIATED WITH A RESEARCH INSTITUTION AND THAT IS CHARGED WITH
13 THE RESPONSIBILITY FOR TECHNOLOGY TRANSFER AND THAT ARRANGES
14 FOR THE SALE OR LICENSURE OF A BIOSCIENCE RESEARCH PROJECT TO AN
15 OUTSIDE ENTITY, WHICH IS COMMONLY A COMMERCIAL ENTERPRISE.

16 (d) "PROGRAM" MEANS THE BIOSCIENCE DISCOVERY EVALUATION
17 GRANT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

18 (e) "RESEARCH INSTITUTION" MEANS AN INSTITUTION LOCATED
19 AND OPERATING IN COLORADO THAT IS A PUBLIC OR PRIVATE, NONPROFIT
20 INSTITUTION OF HIGHER EDUCATION, A NONPROFIT TEACHING HOSPITAL,
21 OR A PRIVATE, NONPROFIT MEDICAL AND RESEARCH CENTER.

22 (3) **Program.** (a) THERE IS HEREBY CREATED IN THE COLORADO
23 OFFICE OF ECONOMIC DEVELOPMENT THE BIOSCIENCE DISCOVERY
24 EVALUATION GRANT PROGRAM FOR THE PURPOSE OF IMPROVING AND
25 EXPANDING THE EVALUATION OF NEW BIOSCIENCE DISCOVERIES AT
26 RESEARCH INSTITUTIONS WITH THE INTENT OF ACCELERATING THE
27 DEVELOPMENT OF NEW PRODUCTS AND SERVICES. THE COLORADO OFFICE

1 OF ECONOMIC DEVELOPMENT SHALL ADMINISTER THE PROGRAM. THE
2 DIRECTOR SHALL CONSULT WITH A COLORADO BIOSCIENCE MEMBERSHIP
3 ORGANIZATION IN THE IMPLEMENTATION OF THE PROGRAM, INCLUDING
4 BUT NOT LIMITED TO THE REVIEW OF PROGRAM GRANT APPLICATIONS AND
5 THE ACCOUNTABILITY AND EVALUATION OF THE GRANTEES AND THE
6 BIOSCIENCE RESEARCH PROJECTS.

7 (b) THE PROGRAM SHALL PROVIDE GRANTS TO OFFICES OF
8 TECHNOLOGY TRANSFER ON A STATEWIDE BASIS IN AMOUNTS OF UP TO
9 ONE HUNDRED FIFTY THOUSAND DOLLARS PER BIOSCIENCE RESEARCH
10 PROJECT. THE GRANTS SHALL BE PAID FROM MONEYS APPROPRIATED TO
11 THE BIOSCIENCE DISCOVERY EVALUATION CASH FUND CREATED IN
12 SUBSECTION (5) OF THIS SECTION.

13 (c) TO BE ELIGIBLE FOR A GRANT UNDER THE PROGRAM, AN OFFICE
14 OF TECHNOLOGY TRANSFER SHALL SUBMIT TO THE COLORADO OFFICE OF
15 ECONOMIC DEVELOPMENT ALL OF THE FOLLOWING:

16 (I) A DESCRIPTION OF A BIOSCIENCE RESEARCH PROJECT THAT
17 MEETS THE FOLLOWING CRITERIA:

18 (A) THE BIOSCIENCE RESEARCH PROJECT WILL RESULT IN A NEW
19 BIOSCIENCE RESEARCH OUTCOME THAT IS REASONABLY LIKELY TO LEAD
20 TO IMPROVEMENTS IN EXISTING OR NEW THERAPEUTICS, DIAGNOSTICS, OR
21 DEVICES TO IMPROVE HUMAN HEALTH OR AGRICULTURE;

22 (B) THE BIOSCIENCE RESEARCH PROJECT FOCUSES ON AN AREA OF
23 SCIENCE, INCLUDING BUT NOT LIMITED TO LIFE SCIENCES, ENGINEERING,
24 MATERIAL SCIENCES, COMPUTER SCIENCES, PHOTONICS, AND
25 NANOTECHNOLOGY;

26 (C) A RESEARCH INSTITUTION OR MULTIPLE RESEARCH
27 INSTITUTIONS HAVE OWNERSHIP OF THE INTELLECTUAL PROPERTY THAT

1 RESULTS FROM THE BIOSCIENCE RESEARCH PROJECT;

2 (D) THE INTELLECTUAL PROPERTY RESULTING FROM THE
3 BIOSCIENCE RESEARCH PROJECT IS NOT OBLIGATED TO A PRIVATE ENTITY;
4 AND

5 (E) THE ENTITY CONDUCTING THE BIOSCIENCE RESEARCH PROJECT
6 CERTIFIES THAT A DISCLOSURE STATEMENT ON THE TECHNOLOGY THAT IS
7 THE SUBJECT OF THE RESEARCH PROJECT HAS BEEN FILED PURSUANT TO
8 THE REQUIREMENTS OF THE RESEARCH INSTITUTION;

9 (II) EVIDENCE OF A DEDICATED, MATCHING SOURCE OF MONEYS
10 THAT IS EQUAL TO THE AMOUNT APPLIED FOR UNDER THE PROGRAM. IF
11 THE OFFICE OF TECHNOLOGY TRANSFER IS APPLYING FOR A GRANT FOR A
12 PUBLIC INSTITUTION OF HIGHER EDUCATION, THE MATCHING SOURCE OF
13 MONEYS SHALL NOT BE MONEYS APPROPRIATED BY THE GENERAL
14 ASSEMBLY.

15 (III) AN ANALYSIS DEMONSTRATING THAT THE SCOPE OF THE
16 PROJECT FOR WHICH THE OFFICE OF TECHNOLOGY TRANSFER IS APPLYING
17 FOR THE GRANT IS THE SCOPE THAT IS REQUIRED TO DETERMINE THE MOST
18 PRODUCTIVE DISPOSITION OF THE TECHNOLOGY.

19 (d) A GRANT AWARDED UNDER THE PROGRAM SHALL NOT BE USED
20 TO SUPPLEMENT THE FUNDING OF THE RESEARCH SCOPE OF A BIOSCIENCE
21 RESEARCH PROJECT THAT IS RECEIVING FUNDING FROM OTHER SOURCES.

22 (e) UPON COMPLETION OF THE RESEARCH SCOPE OF A BIOSCIENCE
23 RESEARCH PROJECT, ANY UNUSED GRANT MONEY SHALL BE RETURNED BY
24 THE OFFICE OF TECHNOLOGY TRANSFER TO THE OFFICE OF ECONOMIC
25 DEVELOPMENT. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL
26 TRANSFER THE MONEYS TO THE STATE TREASURER WHO SHALL DEPOSIT
27 THE SAME INTO THE FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

1 (4) **Policies - reporting.** (a) ON OR BEFORE SEPTEMBER 1, 2006,
2 THE DIRECTOR SHALL ESTABLISH POLICIES FOR THE PROGRAM THAT
3 INCLUDE, BUT NEED NOT BE LIMITED TO:

4 (I) THE PROCEDURES AND TIMELINES BY WHICH AN OFFICE OF
5 TECHNOLOGY TRANSFER MAY APPLY FOR A GRANT;

6 (II) CRITERIA FOR DETERMINING THE GRANT AMOUNTS; AND

7 (III) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS THAT
8 REQUIRE, AT A MINIMUM, EACH RESEARCH INSTITUTION TO PRESENT ITS
9 BIOSCIENCE RESEARCH PROJECT TO ELEMENTARY AND SECONDARY
10 SCHOOL SCIENCE TEACHERS WHO ARE EMPLOYED IN THE GEOGRAPHIC
11 REGION IN WHICH THE TECHNOLOGY IS BEING DEVELOPED.

12 (b) ON OR BEFORE MARCH 1, 2007, AND EACH MARCH 1
13 THEREAFTER, THE DIRECTOR SHALL SUBMIT A REPORT TO THE BUSINESS
14 AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND
15 THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR
16 ANY SUCCESSOR COMMITTEES, SUMMARIZING THE BIOSCIENCE RESEARCH
17 PROJECTS THAT RECEIVED FUNDING UNDER THE PROGRAM IN THE
18 PRECEDING CALENDAR YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY
19 THE FOLLOWING INFORMATION WITH REGARD TO THE BIOSCIENCE
20 RESEARCH PROJECTS THAT RECEIVED FUNDING UNDER THE PROGRAM
21 DURING THE PRECEDING CALENDAR YEAR:

22 (I) THE AMOUNT OF FUNDING DISTRIBUTED TO EACH BIOSCIENCE
23 RESEARCH PROJECT AND A DESCRIPTION OF EACH BIOSCIENCE RESEARCH
24 PROJECT;

25 (II) THE MANNER IN WHICH EACH BIOSCIENCE RESEARCH PROJECT
26 APPLIED THE FUNDING RECEIVED UNDER THE PROGRAM; AND

27 (III) THE RESULTS ACHIEVED BY EACH BIOSCIENCE RESEARCH

1 PROJECT, INCLUDING IDENTIFIABLE MONETARY RETURNS TO THE GRANTEE
2 AND OTHERS SINCE THE RECEIPT OF THE GRANT.

3 (5) **Fund.** (a) THERE IS HEREBY CREATED IN THE STATE
4 TREASURY THE BIOSCIENCE DISCOVERY EVALUATION CASH FUND,
5 REFERRED TO IN THIS SECTION AS THE "FUND", THAT SHALL CONSIST OF
6 MONEYS THAT ARE TRANSFERRED TO THE FUND PURSUANT TO SECTION
7 12-47.1-701 (4) (a), C.R.S., AND ANY MONEYS TRANSFERRED TO THE FUND
8 PURSUANT TO PARAGRAPH (e) OF SUBSECTION (3) OF THIS SECTION. THE
9 MONEYS IN THE FUND SHALL BE CONTINUOUSLY APPROPRIATED FOR THE
10 DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF
11 THE PROGRAM. ANY MONEYS IN THE FUND NOT EXPENDED FOR THE
12 PURPOSE OF THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS
13 PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE
14 INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND SHALL BE CREDITED
15 TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS
16 REMAINING IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN
17 THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
18 GENERAL FUND OR ANOTHER FUND.

19 (b) THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT MAY USE
20 UP TO TWO PERCENT OF THE MONEYS INITIALLY TRANSFERRED INTO THE
21 FUND FOR THE ACTUAL COSTS INCURRED IN ADMINISTERING THE PROGRAM.

22 **SECTION 2.** 12-47.1-701 (4) (a), Colorado Revised Statutes, is
23 amended to read:

24 **12-47.1-701. Limited gaming fund.** (4) (a) At the end of each
25 fiscal year, the state treasurer shall distribute the balance remaining in the
26 limited gaming fund in accordance with the provisions of section 9 (5) (b)
27 (II) of article XVIII of the state constitution; except that:

1 (I) For fiscal years commencing prior to July 1, 2003, and for
2 fiscal years commencing on or after July 1, 2004, forty-nine and
3 eight-tenths percent shall be transferred to the general fund of this state
4 and two-tenths of one percent shall be transferred to the Colorado travel
5 and tourism promotion fund created in section 24-49.7-106, C.R.S.;

6 (II) For the 2003-04 ~~state~~ fiscal year, fifty percent shall be
7 transferred to the general fund of the state; AND

8 (III) FOR THE 2005-06 FISCAL YEAR, OF THE PORTION OF LIMITED
9 GAMING FUND MONEYS THAT WOULD OTHERWISE BE TRANSFERRED TO THE
10 GENERAL FUND PURSUANT TO SECTION 9 (5) (b) (II) OF ARTICLE XVIII OF
11 THE STATE CONSTITUTION, AFTER THE TRANSFER TO THE LOCAL
12 GOVERNMENT LIMITED GAMING IMPACT FUND REQUIRED BY SECTION
13 12-47.1-1601, AND AFTER ANY OTHER TRANSFER OR DISTRIBUTION OF THE
14 GENERAL FUND PORTION OF LIMITED GAMING FUND MONEYS REQUIRED BY
15 THIS PARAGRAPH (a), TWO MILLION DOLLARS SHALL BE TRANSFERRED TO
16 THE BIOSCIENCE DISCOVERY EVALUATION CASH FUND FOR THE
17 IMPLEMENTATION OF THE BIOSCIENCE DISCOVERY EVALUATION GRANT
18 PROGRAM, CREATED IN SECTION 24-48.5-108, C.R.S., BEGINNING IN THE
19 2006-07 FISCAL YEAR.

20 **SECTION 3. Appropriation.** In addition to any other
21 appropriation, there is hereby appropriated, out of any moneys in the
22 bioscience discovery evaluation cash fund created in section 24-48.5-108
23 (5) (a), Colorado Revised Statutes, not otherwise appropriated, to the
24 office of the governor, for allocation to the office of economic
25 development, for the fiscal year beginning July 1, 2006, the sum of two
26 million dollars (\$2,000,000), or so much thereof as may be necessary, for
27 the implementation of this act.

1 **SECTION 4. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.