

ASSEMBLY, No. 3186

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 1, 2006

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Co-Sponsored by:

Assemblyman Vas

SYNOPSIS

"Stem Cell Research Bond Act," authorizes sale of bonds for \$500 million and appropriates \$5,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/19/2007)

1 AN ACT authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of \$500 million for the purpose of financing
4 stem cell research grants, and the costs thereof, for institutions of
5 higher education and other entities in the State conducting
6 scientific and medical research; providing the ways and means to
7 pay and discharge the principal of and interest on the bonds;
8 providing for the submission of this act to the people at a general
9 election; and making an appropriation therefor.

10

11 **BE IT ENACTED** by the Senate and General Assembly of the State
12 of New Jersey:

13

14 1. This act shall be known and may be cited as the "New Jersey
15 Stem Cell Research Bond Act."

16

17 2. The Legislature finds and declares that:

18 a. Millions of people suffer from chronic, debilitating and often
19 incurable diseases and conditions, including cancer, diabetes, heart
20 disease, Alzheimer's disease, Huntington's disease, Parkinson's
21 disease, Lou Gehrig's disease, HIV/AIDS, sickle cell anemia and
22 multiple sclerosis, as well as irreversible injuries;

23 b. New regenerative medical therapies, such as those that
24 include the use of human stem cells, offer immense promise for the
25 development of cures and more effective treatments for many of
26 these devastating diseases and irreversible injuries;

27 c. It is the policy of this State, as established by P.L.2003, c.203,
28 that stem cell research that is conducted ethically and in accordance
29 with the highest scientific standard shall be permitted; to this end,
30 the State has become a leader by investing funds to establish the
31 Stem Cell Institute of New Jersey;

32 d. The development of new cures and more effective treatments
33 resulting from stem cell research has the potential to improve the
34 quality of life for New Jersey residents, reduce long-term health
35 care costs and benefit the New Jersey economy; and

36 e. It is now time for the State to provide the means to finance
37 grants for stem cell research, conducted within its research
38 institutions and within its renowned pharmaceutical industry, in
39 order to facilitate the transition of basic research into lifesaving
40 clinical applications for New Jersey residents.

41

42 3. As used in this act:

43 "Approved research project" means a stem cell research project
44 proposed by an eligible research institution that has been approved
45 by the department, or a State board on stem cell research or similar
46 entity, as applicable, the independent research review panel and the
47 independent ethics review panel, pursuant to section 5 of this act;

1 "Bonds" mean the bonds authorized to be issued, or issued, under
2 this act;

3 "Cost" means the expenses incurred in connection with: the
4 procurement of legal, financial, or other professional services,
5 including the services of a bond registrar or an authenticating agent;
6 the issuance of bonds, or any interest or discount thereon; the
7 establishment of a reserve fund or funds for the payment or security
8 of principal or interest on bonds, as the Director of the Division of
9 Budget and Accounting in the Department of the Treasury may
10 determine; the reimbursement to any fund of the State of moneys
11 which may have been transferred or advanced therefrom to any fund
12 created by this act, or of any moneys which may have been
13 expended therefrom for, or in connection with, any approved
14 research project authorized by this act; or any other expenses
15 incurred in connection with the administrative, organizational or
16 operating expenses incident to the financing, completing and
17 placing into service of any stem cell research grant authorized by
18 this act;

19 "Department" means the Department of Health and Senior
20 Services;

21 "Eligible research institution" means an institution of higher
22 education in the State, State or local government agency, or other
23 public or private entity which has a substantial business presence in
24 the State and conducts scientific and medical research in the State.
25 An eligible research institution shall be approved by the
26 department, or a State board on stem cell research or similar entity,
27 as applicable, the independent research review panel and the
28 independent ethics review panel, as provided by this act;

29 "Government securities" means any bonds or other obligations
30 which as to principal and interest constitute direct obligations of, or
31 are unconditionally guaranteed by, the United States of America,
32 including obligations of any federal agency, to the extent those
33 obligations are unconditionally guaranteed by the United States of
34 America, and any certificates or any other evidences of an
35 ownership interest in those obligations of, or unconditionally
36 guaranteed by, the United States of America or in specified portions
37 which may consist of the principal of, or the interest on, those
38 obligations;

39 "Human cloning" means human asexual reproduction
40 accomplished by introducing nuclear material from one or more
41 human cells into a fertilized or unfertilized oocyte whose nuclear
42 material has been removed or inactivated so as to produce a human
43 fetus that is substantially genetically identical to a previously born
44 human being;

45 "Independent ethics review panel" means an independent panel
46 established by the department, or a State board on stem cell
47 research or similar entity, as applicable, in order to effectuate the
48 purposes of section 5 of this act. The panel shall include, but need

1 not be limited to, the following: recognized bioethicists, members
2 of academic and religious communities, and at least one member
3 who currently serves on an institutional review board;

4 "Independent research review panel" means an independent
5 panel established by the department, or a State board on stem cell
6 research or similar entity, as applicable, in order to effectuate the
7 provisions of section 5 of this act. The panel shall include, but need
8 not be limited to, nationally recognized experts in the field of stem
9 cell research;

10 "Research grant" means a grant awarded to an eligible research
11 institution pursuant to this act to fund any expenses incurred in
12 connection with scientific and medical research conducted in the
13 State, including, but not limited to: basic stem cell biology using
14 human or non-human adult or embryonic stem cells; translational
15 and clinical work; the development of tools and processes
16 including, but not limited to, diagnostic tools and processes;
17 training programs; the development of capacity for additional stem
18 cell research in the State; regenerative therapy development; and the
19 development of pharmacologies and treatments through clinical
20 trials;

21 "Stem cell" means any unspecialized or undifferentiated cell that
22 can self-replicate and has the potential to differentiate into a
23 specialized cell type.

24

25 4. The department, or a State board on stem cell research or
26 similar entity, as applicable, shall adopt, pursuant to the
27 "Administrative Procedure Act," P.L.1968 c.410 (C.52:14B-1 et
28 seq.), rules and regulations necessary to implement the provisions
29 of this act.

30

31 5. a. Bonds of the State of New Jersey are authorized to be
32 issued in the aggregate principal amount of \$500 million over 10
33 years for the purpose of financing stem cell research grants, and the
34 costs thereof, at eligible research institutions. Stem cell research
35 grants funded by bond monies shall be distributed annually and
36 shall not exceed \$50 million per year, except that any unused grant
37 capacity shall carry over to subsequent years. Funds to support
38 stem cell research grants shall be subject to appropriation pursuant
39 to the provisions of section 15 of this act. In the event that the
40 "Stem Cell Research Fund" established pursuant to section 14 of
41 this act is supplemented or replenished as provided in subsection h.
42 of this section or subsection c. of section 15 of this act, the stem cell
43 research grant program shall remain in effect until all
44 supplementing or replenishing funds are disbursed as grants
45 pursuant to this act.

46 b. Not more than 5% of a stem cell research grant awarded to an
47 eligible research institution pursuant to this act shall be used for the
48 administrative costs of the eligible research institution.

1 c. The department shall administer the stem cell research grant
2 program and solicit and evaluate stem cell research grant
3 applications until such time as a State board on stem cell research,
4 or similar entity, is established by law. Upon establishment of a
5 board, the board shall assume the duties of administering the grant
6 program. The department or the board, as applicable, shall
7 designate an independent research review panel to review stem cell
8 research grant applications, and an independent ethics review panel
9 to ensure that stem cell research conducted pursuant to this act will
10 be carried out in a scientifically sound and ethical manner.

11 d. The independent research review panel shall conduct a
12 scientific review of the research proposed in each grant application
13 and make recommendations for funding for stem cell research
14 grants, as appropriate.

15 The department or the board, as applicable, after receiving
16 recommendations from the independent research review panel, shall
17 prepare a list of eligible projects which:

18 (1) are likely to result in research that can be applied to therapies
19 to treat chronic, debilitating or often incurable diseases or
20 irreversible injuries; and

21 (2) will be conducted in a scientifically sound and ethical manner
22 in accordance with federal law and policies, and State law,
23 including, but not limited to P.L.2003, c.203 (C.26:2Z-1 et al.).

24 The list shall be submitted to the independent ethics review panel
25 for final approval.

26 e. A stem cell research grant awarded to an eligible research
27 institution shall be contingent upon approval by the independent
28 ethics review panel and approval by the eligible research
29 institution's institutional review board operating in accordance with
30 applicable law.

31 f. Funds appropriated by the Legislature to support stem cell
32 research grants shall be disbursed by the department, or a State
33 board on stem cell research or similar entity, as applicable, only in
34 accordance with the list approved by the independent ethics review
35 panel. A directory of the eligible research institutions receiving
36 stem cell research grants and the amount of each grant award shall
37 be made available to the public on an annual basis.

38 g. No funds authorized for, or made available to, an eligible
39 research institution pursuant to this act shall be used for the purpose
40 of human cloning.

41 h. The State Treasurer shall require an eligible research
42 institution to make payments to the State in an amount representing
43 a reasonable return on the investment made pursuant to this act if
44 the eligible research institution realizes a financial gain or benefit
45 directly associated with an approved research project funded
46 pursuant to this act. The payments shall be subject to such terms
47 and conditions as the State Treasurer may require. Payments made
48 pursuant to this section shall be paid into the "Stem Cell Research

1 Fund" established pursuant to section 14 of this act for the purpose
2 of replenishing the fund.

3 i. An eligible research institution shall indemnify or insure and
4 hold the State harmless against any and all losses, claims, damages,
5 expenses or liabilities, including attorney fees, arising from the
6 research it conducts pursuant to a stem cell research grant awarded
7 pursuant to this act. An eligible research institution shall name the
8 State as an additional insured and submit proof of such insurance.

9 Notwithstanding any other provision of law to the contrary, the
10 State of New Jersey and its officers, employees and agents shall not
11 be liable for damages in any civil action resulting, directly or
12 indirectly, from the State's funding of stem cell research pursuant to
13 this act. For the purposes of this section, the "funding of stem cell
14 research" shall include, but not be limited to, the administration of
15 the stem cell research grant application process established pursuant
16 to this act, the selection of approved research projects, the
17 disbursement of stem cell research grants and any other activities
18 authorized or required by this act.

19 j. Employees of the department, or members of a State board on
20 stem cell research or similar entity, as applicable, as well as
21 members of the independent ethics review panel and the
22 independent research review panel established pursuant to this act,
23 shall comply with the provisions of the "New Jersey Conflicts of
24 Interest Law," P.L. 1971, c. 182 (C. 52:13D-12 et seq.). Employees
25 of the department or members of the board, as applicable, shall also
26 comply with any financial disclosure requirements imposed by the
27 Governor by Executive Order. In addition, members of the panels
28 shall be subject to such non-disclosure agreements as shall be
29 required by the department or the board, as applicable.

30
31 6. The bonds authorized under this act shall be serial bonds,
32 term bonds, or a combination thereof, and shall be known as "Stem
33 Cell Research Bonds." They shall be issued from time to time as the
34 issuing officials herein named shall determine and may be issued in
35 coupon form, fully-registered form or book-entry form. The bonds
36 may be subject to redemption prior to maturity and shall mature and
37 be paid not later than 35 years from the respective dates of their
38 issuance.

39
40 7. The Governor, the State Treasurer and the Director of the
41 Division of Budget and Accounting in the Department of the
42 Treasury, or any two of these officials, herein referred to as "the
43 issuing officials," are authorized to carry out the provisions of this
44 act relating to the issuance of bonds, and shall determine all matters
45 in connection therewith, subject to the provisions of this act. If an
46 issuing official is absent from the State or incapable of acting for
47 any reason, the powers and duties of that issuing official shall be

1 exercised and performed by the person authorized by law to act in
2 an official capacity in the place of that issuing official.

3

4 8. Bonds issued in accordance with the provisions of this act
5 shall be a direct obligation of the State of New Jersey, and the faith
6 and credit of the State are pledged for the payment of the interest
7 and redemption premium thereon, if any, when due, and for the
8 payment of the principal thereof at maturity or earlier redemption
9 date. The principal of and interest on the bonds shall be exempt
10 from taxation by the State or by any county, municipality or other
11 taxing district of the State.

12

13 9. The bonds shall be signed in the name of the State by means
14 of the manual or facsimile signature of the Governor under the
15 Great Seal of the State, which seal may be by facsimile or by way
16 of any other form of reproduction on the bonds, and attested by the
17 manual or facsimile signature of the Secretary of State, or an
18 Assistant Secretary of State, and shall be countersigned by the
19 facsimile signature of the Director of the Division of Budget and
20 Accounting in the Department of the Treasury and may be manually
21 authenticated by an authenticating agent or bond registrar, as the
22 issuing official shall determine. Interest coupons, if any, attached to
23 the bonds shall be signed by the facsimile signature of the Director
24 of the Division of Budget and Accounting in the Department of the
25 Treasury. The bonds may be issued notwithstanding that an official
26 signing them or whose manual or facsimile signature appears on the
27 bonds or coupons has ceased to hold office at the time of issuance,
28 or at the time of the delivery of the bonds to the purchaser thereof.

29

30 10. a. The bonds shall recite that they are issued for the
31 purposes set forth in section 5 of this act, that they are issued
32 pursuant to this act, that this act was submitted to the people of the
33 State at the next general election held at least 70 days after
34 enactment as specified in section 23 of this act, and that this act was
35 approved by a majority of the legally qualified voters of the State
36 voting thereon at the election. This recital shall be conclusive
37 evidence of the authority of the State to issue the bonds and their
38 validity. Any bonds containing this recital shall, in any suit, action
39 or proceeding involving their validity, be conclusively deemed to be
40 fully authorized by this act and to have been issued, sold, executed
41 and delivered in conformity herewith and with all other provisions
42 of laws applicable hereto, and shall be incontestable for any cause.

43 b. The bonds shall be issued in those denominations and in the
44 form or forms, whether coupon, fully-registered or book-entry, and
45 with or without provisions for interchangeability thereof, as may be
46 determined by the issuing officials.

1 11. When the bonds are issued from time to time, the bonds of
2 each issue shall constitute a separate series to be designated by the
3 issuing officials. Each series of bonds shall bear such rate or rates
4 of interest as may be determined by the issuing officials, which
5 interest shall be payable semiannually; except that the first and last
6 interest periods may be longer or shorter, in order that intervening
7 semiannual payments may be at convenient dates.

8
9 12. The bonds shall be issued and sold at the price or prices and
10 under the terms, conditions and regulations as the issuing officials
11 may prescribe, after notice of the sale, published at least once in at
12 least three newspapers published in this State, and at least once in a
13 publication carrying municipal bond notices and devoted primarily
14 to financial news, published in this State or in the city of New York,
15 the first notice to appear at least five days prior to the day of
16 bidding. The notice of sale may contain a provision to the effect
17 that any bid in pursuance thereof may be rejected. In the event of
18 rejection or failure to receive any acceptable bid, the issuing
19 officials, at any time within 60 days from the date of the advertised
20 sale, may sell the bonds at a private sale at such price or prices
21 under the terms and conditions as the issuing officials may
22 prescribe. The issuing officials may sell all or part of the bonds of
23 any series as issued to any State fund or to the federal government
24 or any agency thereof, at a private sale, without advertisement.

25
26 13. Until permanent bonds are prepared, the issuing officials
27 may issue temporary bonds in the form and with those privileges as
28 to their registration and exchange for permanent bonds as may be
29 determined by the issuing officials.

30
31 14. The proceeds from the sale of bonds used to finance stem
32 cell research grants to eligible research institutions for approved
33 research projects, and the costs thereof, shall be paid to the State
34 Treasurer and be held by the State Treasurer in a separate fund, and
35 be deposited in such depositories as may be selected by the State
36 Treasurer to the credit of the fund, which fund shall be known as
37 the "Stem Cell Research Fund."

38
39 15. a. The moneys in the "Stem Cell Research Fund" are
40 specifically dedicated and shall be applied to the purpose of
41 financing stem cell research grants and the costs thereof as set forth
42 in section 5 of this act. However, no moneys in the fund shall be
43 expended for those purposes, except as otherwise authorized by this
44 act, without the specific appropriation thereof by the Legislature,
45 but bonds may be issued as herein provided, notwithstanding that
46 the Legislature shall not have then adopted an act making a specific
47 appropriation of any of the moneys. Any act appropriating moneys

1 from the "Stem Cell Research Fund" shall identify the project to be
2 funded by the moneys.

3 b. At any time prior to the issuance and sale of bonds under this
4 act, the State Treasurer is authorized to transfer from any available
5 moneys in any fund of the treasury of the State to the credit of the
6 "Stem Cell Research Fund" those sums as the State Treasurer may
7 deem necessary. The sums so transferred shall be returned to the
8 same fund of the treasury of the State by the State Treasurer from
9 the proceeds of the sale of the first issue of bonds.

10 c. Pending their application to the purposes provided in this act,
11 the moneys in the "Stem Cell Research Fund" may be invested and
12 reinvested as are other trust funds in the custody of the State
13 Treasurer, in the manner provided by law. Net earnings received
14 from the investment or deposit of moneys in the "Stem Cell
15 Research Fund" shall be paid into the "Stem Cell Research Fund"
16 for the purpose of supplementing or replenishing the fund.

17

18 16. If any coupon bond, coupon or registered bond is lost,
19 mutilated or destroyed, a new bond or coupon shall be executed and
20 delivered of like tenor, in substitution for the lost, mutilated or
21 destroyed bond or coupon, upon the owner furnishing to the issuing
22 officials evidence satisfactory to them of the loss, mutilation or
23 destruction of the bond or coupon, the ownership thereof, and
24 security, indemnity and reimbursement for expenses connected
25 therewith, as the issuing officials may require.

26

27 17. The accrued interest, if any, received upon the sale of the
28 bonds shall be applied to the discharge of a like amount of interest
29 upon the bonds when due. Any expense incurred by the issuing
30 officials for advertising, engraving, printing, clerical,
31 authenticating, registering, legal or other services necessary to carry
32 out the duties imposed upon them by the provisions of this act shall
33 be paid from the proceeds of the sale of the bonds by the State
34 Treasurer, upon the warrant of the Director of the Division of
35 Budget and Accounting in the Department of the Treasury, in the
36 same manner as other obligations of the State are paid.

37

38 18. Bonds of each series issued hereunder shall mature, including
39 any sinking fund redemptions, not later than the 35th year from the
40 date of issue of that series, and in amounts as shall be determined
41 by the issuing officials. The issuing officials may reserve to the
42 State by appropriate provision in the bonds of any series the power
43 to redeem any of the bonds prior to maturity at the price or prices
44 and upon the terms and conditions as may be provided in the bonds.

45

46 19. Any bond or bonds issued hereunder which are subject to
47 refinancing pursuant to the "Refunding Bond Act of 1985,"
48 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),

1 shall no longer be deemed to be outstanding, shall no longer
2 constitute a direct obligation of the State of New Jersey, and the
3 faith and credit of the State shall no longer be pledged to the
4 payment of the principal of, redemption premium, if any, and
5 interest on the bonds, and the bonds shall be secured solely by and
6 payable solely from moneys and government securities deposited in
7 trust with one or more trustees or escrow agents, which trustees and
8 escrow agents shall be trust companies or national or state banks
9 having powers of a trust company, located either within or without
10 the State, as provided herein, whenever there shall be deposited in
11 trust with the trustees or escrow agents, as provided herein, either
12 moneys or government securities, including government securities
13 issued or held in book-entry form on the books of the Department of
14 Treasury of the United States, the principal of and interest on which
15 when due will provide money which, together with the moneys, if
16 any, deposited with the trustees or escrow agents at the same time,
17 shall be sufficient to pay when due the principal of, redemption
18 premium, if any, and interest due and to become due on the bonds
19 on or prior to the redemption date or maturity date thereof, as the
20 case may be; provided the government securities shall not be
21 subject to redemption prior to their maturity other than at the option
22 of the holder thereof. The State of New Jersey hereby covenants
23 with the holders of any bonds for which government securities or
24 moneys shall have been deposited in trust with the trustees or
25 escrow agents as provided in this section that, except as otherwise
26 provided in this section, neither the government securities nor
27 moneys so deposited with the trustees or escrow agents shall be
28 withdrawn or used by the State for any purpose other than, and shall
29 be held in trust for, the payment of the principal of, redemption
30 premium, if any, and interest to become due on the bonds; provided
31 that any cash received from the principal or interest payments on
32 the government securities deposited with the trustees or escrow
33 agents, to the extent the cash will not be required at any time for
34 that purpose, shall be paid over to the State, as received by the
35 trustees or escrow agents, free and clear of any trust, lien, pledge or
36 assignment securing the bonds; and to the extent the cash will be
37 required for that purpose at a later date, shall, to the extent
38 practicable and legally permissible, be reinvested in government
39 securities maturing at times and in amounts sufficient to pay when
40 due the principal of, redemption premium, if any, and interest to
41 become due on the bonds on and prior to the redemption date or
42 maturity date thereof, as the case may be, and interest earned from
43 the reinvestments shall be paid over to the State, as received by the
44 trustees or escrow agents, free and clear of any trust, lien or pledge
45 securing the bonds. Notwithstanding anything to the contrary
46 contained herein: a. the trustees or escrow agents shall, if so
47 directed by the issuing officials, apply moneys on deposit with the
48 trustees or escrow agents pursuant to the provisions of this section,

1 and redeem or sell government securities so deposited with the
2 trustees or escrow agents, and apply the proceeds thereof to (1) the
3 purchase of the bonds which were refinanced by the deposit with
4 the trustees or escrow agents of the moneys and government
5 securities and immediately thereafter cancel all bonds so purchased,
6 or (2) the purchase of different government securities; provided
7 however, that the moneys and government securities on deposit
8 with the trustees or escrow agents after the purchase and
9 cancellation of the bonds or the purchase of different government
10 securities shall be sufficient to pay when due the principal of,
11 redemption premium, if any, and interest on all other bonds in
12 respect of which the moneys and government securities were
13 deposited with the trustees or escrow agents on or prior to the
14 redemption date or maturity date thereof, as the case may be; and b.
15 in the event that on any date, as a result of any purchases and
16 cancellations of bonds or any purchases of different government
17 securities, as provided in this sentence, the total amount of moneys
18 and government securities remaining on deposit with the trustees or
19 escrow agents is in excess of the total amount which would have
20 been required to be deposited with the trustees or escrow agents on
21 that date in respect of the remaining bonds for which the deposit
22 was made in order to pay when due the principal of, redemption
23 premium, if any, and interest on the remaining bonds, the trustees or
24 escrow agents shall, if so directed by the issuing officials, pay the
25 amount of the excess to the State, free and clear of any trust, lien,
26 pledge or assignment securing the refunding bonds.

27

28 20. Refunding bonds issued pursuant to P.L.1985, c.74 as
29 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be
30 consolidated with bonds issued pursuant to section 5 of this act or
31 with bonds issued pursuant to any other act for purposes of sale.

32

33 21. To provide funds to meet the interest and principal payment
34 requirements for the bonds and refunding bonds issued under this
35 act and outstanding, there is appropriated in the order following:

36 a. Revenue derived from the collection of taxes under the "Sales
37 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
38 thereof as may be required; and

39 b. If, at any time, funds necessary to meet the interest,
40 redemption premium, if any, and principal payments on outstanding
41 bonds issued under this act are insufficient or not available, there
42 shall be assessed, levied and collected annually in each of the
43 municipalities of the counties of this State, a tax on the real and
44 personal property upon which municipal taxes are or shall be
45 assessed, levied and collected, sufficient to meet the interest on all
46 outstanding bonds issued hereunder and on the bonds proposed to
47 be issued under this act in the calendar year in which the tax is to be
48 raised and for the payment of bonds falling due in the year

1 following the year for which the tax is levied. The tax shall be
2 assessed, levied and collected in the same manner and at the same
3 time as are other taxes upon real and personal property. The
4 governing body of each municipality shall cause to be paid to the
5 county treasurer of the county in which the municipality is located,
6 on or before December 15 in each year, the amount of tax herein
7 directed to be assessed and levied, and the county treasurer shall
8 pay the amount of the tax to the State Treasurer on or before
9 December 20 in each year.

10 If on or before December 31 in any year, the issuing officials, by
11 resolution, determine that there are moneys in the General Fund
12 beyond the needs of the State, sufficient to pay the principal of
13 bonds falling due and all interest and redemption premium, if any,
14 payable in the ensuing calendar year, the issuing officials shall file
15 the resolution in the office of the State Treasurer, whereupon the
16 State Treasurer shall transfer the moneys to a separate fund to be
17 designated by the State Treasurer, and shall pay the principal,
18 redemption premium, if any, and interest out of that fund as the
19 same shall become due and payable, and the other sources of
20 payment of the principal, redemption premium, if any, and interest
21 provided for in this section shall not then be available, and the
22 receipts for the year from the tax specified in subsection a. of this
23 section shall be considered and treated as part of the General Fund,
24 available for general purposes.
25

26 22. Should the State Treasurer, by December 31 of any year,
27 deem it necessary, because of the insufficiency of funds collected
28 from the sources of revenues as provided in this act, to meet the
29 interest and principal payments for the year after the ensuing year,
30 then the State Treasurer shall certify to the Director of the Division
31 of Budget and Accounting in the Department of the Treasury the
32 amount necessary to be raised by taxation for those purposes, the
33 same to be assessed, levied and collected for and in the ensuing
34 calendar year. The director shall, on or before March 1 following,
35 calculate the amount in dollars to be assessed, levied and collected
36 in each county as herein set forth. This calculation shall be based
37 upon the corrected assessed valuation of each county for the year
38 preceding the year in which the tax is to be assessed, but the tax
39 shall be assessed, levied and collected upon the assessed valuation
40 of the year in which the tax is assessed and levied. The director
41 shall certify the amount to the county board of taxation and the
42 treasurer of each county. The county board of taxation shall include
43 the proper amount in the current tax levy of the several taxing
44 districts of the county in proportion to the ratables as ascertained for
45 the current year.
46

47 23. For the purpose of complying with the provisions of the
48 State Constitution, this act shall be submitted to the people at the

1 general election next occurring at least 70 days after enactment. To
2 inform the people of the contents of this act, it shall be the duty of
3 the Attorney General, after this section takes effect, and at least 60
4 days prior to the election, to cause this act to be published at least
5 once in one or more newspapers of each county, if any newspapers
6 be published therein and to notify the clerk of each county of this
7 State of the passage of this act; and the clerks respectively, in
8 accordance with the instructions of the Attorney General, shall have
9 printed on each of the ballots the following:

10 If you approve of the act entitled below, make a cross (x), plus
11 (+), or check (✓) mark in the square opposite the word "Yes."

12 If you disapprove of the act entitled below, make a cross (x),
13 plus (+), or check (✓) mark in the square opposite the word "No."

14 If voting machines are used, a vote of "Yes" or "No" shall be
15 equivalent to these markings respectively.

1

	<p>YES</p>	<p>STEM CELL RESEARCH BOND ISSUE</p> <p>Shall the "New Jersey Stem Cell Research Bond Act," which authorizes the State to issue bonds in the amount of \$500 million for grants to fund stem cell research at institutions of higher education and other entities in the State conducting scientific and medical research and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$500 million in State general obligation bonds to provide grants for stem cell research at institutions of higher education and other nonprofit and for profit entities in the State conducting scientific and medical research. The grants would be awarded by the Department of Health and Senior Services until a State board on stem cell research, or similar entity, is established by law. All grants would be evaluated by an independent research review panel composed of experts in stem cell research and by an independent ethics review panel. If a grant recipient realizes a financial gain or benefit directly associated with the stem cell research funded by its grant, the recipient must repay the State a return on its investment, to be determined by the State Treasurer. The purpose is to promote research that could benefit State residents with diseases and severe injuries such as Alzheimer's disease, cancer, diabetes, Lou Gehrig's disease, Parkinson's disease, sickle cell anemia and spinal cord injuries.</p>

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3 The fact and date of the approval or passage of this act, as the
 4 case may be, may be inserted in the appropriate place after the title
 5 in the ballot. No other requirements of law of any kind or character
 6 as to notice or procedure, except as herein provided, need be
 7 adhered to.

8 The votes so cast for and against the approval of this act, by
 9 ballot or voting machine, shall be counted and the result thereof
 10 returned by the election officer, and a canvass of the election had in

1 the same manner as is provided for by law in the case of the
2 election of a Governor, and the approval or disapproval of this act
3 so determined shall be declared in the same manner as the result of
4 an election for a Governor, and if there is a majority of all the votes
5 cast for and against it at the election in favor of the approval of this
6 act, then all the provisions of this act not made effective theretofore
7 shall take effect forthwith.

8
9 24. There is appropriated the sum of \$5,000 to the Department
10 of Law and Public Safety for expenses in connection with the
11 publication of notice pursuant to section 23 of this act.

12
13 25. The department, or a State board on stem cell research or
14 similar entity, as applicable, shall submit to the State Treasurer a
15 plan for the expenditure of funds from the "Stem Cell Research
16 Fund" for the upcoming fiscal year. This plan shall include the
17 following information: a performance evaluation of the
18 expenditures made from the funds to date; a description of approved
19 research projects planned during the upcoming fiscal year; a copy
20 of the regulations in force governing the operation of approved
21 research projects that are financed, in part or in whole, by funds
22 from the "Stem Cell Research Fund" and an estimate of
23 expenditures for the upcoming fiscal year.

24
25 26. Immediately following the submission to the Legislature of
26 the Governor's annual budget message, the department, or a State
27 board on stem cell research or similar entity, as applicable, shall
28 submit to the Legislature pursuant to section 2 of P.L.1991, c.164
29 (C.52:14-19.1), and to the Joint Budget Oversight Committee, or its
30 successor, a copy of the plan called for under section 25 of this act,
31 together with such changes therein as may have been required by
32 the Governor's budget message.

33
34 27. All appropriations from the "Stem Cell Research Fund,"
35 created pursuant to section 14 of this act, shall be allocations to
36 specific approved research projects, and any transfer of any funds
37 so appropriated shall require the approval of the Joint Budget
38 Oversight Committee, or its successor.

39
40 28. This section and sections 23 and 24 of this act shall take
41 effect immediately and the remainder of this act shall take effect as
42 and when provided in section 23.

43
44
45 STATEMENT

46
47 This bill, the "Stem Cell Research Bond Act," authorizes the
48 issuance of \$500 million in State general obligation bonds for the

1 purpose of financing the costs of providing stem cell research grants
2 to eligible research institutions over 10 years. Research grants
3 funded by the bonds cannot exceed \$50 million per year, except that
4 any of the \$50 million that is not awarded in a year can be carried
5 over to subsequent years.

6 As defined in the bill, "eligible research institution" means an
7 institution of higher education in the State, State or local
8 government agency, or other public or private entity which has a
9 substantial business presence in the State and conducts scientific
10 and medical research in the State.

11 The bill provides that the grants would be awarded by the
12 Department of Health and Senior Services until such time as a State
13 board on stem cell research, or similar entity, is established by law.

14 Pursuant to the bill, the department or the board, as applicable,
15 shall establish an independent research review panel and an
16 independent ethics review panel to administer the grant program
17 and make grant awards. The independent research review panel
18 shall include, but need not be limited to, nationally recognized
19 experts in the field of stem cell research. The independent ethics
20 review panel shall include, but need not be limited to, recognized
21 bioethicists, members of academic and religious communities, and
22 at least one member who currently serves on an institutional review
23 board. An eligible research institution must be approved by both
24 panels and by the department, or a State board on stem cell research
25 or similar entity, as applicable.

26 Pursuant to the bill, the department or the board, as applicable,
27 shall solicit grant applications from eligible research institutions to
28 fund scientific and medical stem cell research, conducted in the
29 State, including, but not limited to: basic stem cell biology using
30 human or non-human adult or embryonic stem cells; translational
31 and clinical work; the development of tools and processes
32 including, but not limited to, diagnostic tools and processes;
33 training programs; the development of capacity for additional stem
34 cell research in the State; regenerative therapy development; and the
35 development of pharmacologies and treatments through clinical
36 trials. The grant applications shall be evaluated by the independent
37 research review panel.

38 The department or the board, as applicable, after receiving the
39 recommendations from the independent research review panel, shall
40 prepare a list of eligible stem cell research grants which are likely
41 to result in research that can be applied to therapies to treat chronic,
42 debilitating and often incurable diseases or injuries, and are
43 conducted safely and ethically. The list shall then be submitted to
44 an independent ethics review panel for final approval to ensure that
45 all research will be conducted in a scientifically sound and ethical
46 manner.

47 In the event that an eligible research institution is awarded a
48 grant and realizes a financial gain or benefit directly associated with

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1 the stem cell research funded by the grant, the recipient shall repay
2 the State a reasonable return on its investment, to be determined by
3 the State Treasurer.

4 The bill stipulates that an eligible research institution shall not
5 hold the State liable for losses arising from the research it conducts
6 pursuant to a grant award.

7 Finally, the bill provides that the bond act shall be submitted to
8 the people for approval at the next general election and appropriates
9 \$5,000 to the Department of Law and Public Safety for expenses in
10 connection with the publication of the public question.