

BILL ANALYSIS

C.S.H.B. 63
By: Davis, Sarah
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the importance of the Cancer Prevention and Research Institute of Texas (CPRIT) and its efficient operation in improving the life of people impacted by cancer. C.S.H.B. 63 seeks to address issues relating to the management of certain benefits, the funding of awards granted by CPRIT, and certain reporting requirements.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 63 amends the Government Code to include a member of the Cancer Prevention and Research Institute of Texas (CPRIT) among the individuals considered to be appointed officers of major state agencies for purposes of statutory provisions relating to state officer personal financial disclosure, standards of conduct, and conflicts of interest.

C.S.H.B. 63 amends the Health and Safety Code to authorize the CPRIT oversight committee to conduct a closed meeting in accordance with state open meetings law to discuss issues related to managing, acquiring, or selling securities or other revenue-sharing obligations realized as a result of projects undertaken with money awarded from the cancer prevention and research fund. The bill replaces the 10 percent cap on the amount of money awarded from the fund that may be used for cancer prevention and control programs during any year with a 10 percent cap on the amount of money appropriated by the legislature for CPRIT grants in a state fiscal year that may be used for such programs during that year.

C.S.H.B. 63 authorizes the CPRIT oversight committee to transfer its management and disposition authority over the state's interest in securities, equities, royalties, income, and other benefits realized as a result of projects undertaken with money awarded from the fund to the Texas Treasury Safekeeping Trust Company, to whom the bill grants any power necessary to accomplish the purposes of managing and disposing of those assets. The bill authorizes the trust company, in managing such assets through procedures and subject to restrictions that the trust company considers appropriate, to acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire, exchange, sell, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment. The bill authorizes the trust company to charge a fee to recover the reasonable and necessary costs incurred in managing

such assets.

C.S.H.B. 63 repeals Section 102.101(f), Health and Safety Code, which requires a person appointed to the oversight committee to disclose to CPRIT certain political contributions made by the person and requires CPRIT to post a report of such political contributions on its website and link to the report on the oversight committee's main web page.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 63 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 572.003(c), Government Code, is amended.

SECTION 2. Section 102.003, Health and Safety Code, is amended to read as follows:
Sec. 102.003. SUNSET PROVISION. The Cancer Prevention and Research Institute of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the institute is abolished and this chapter expires September 1, 2023 [2024].

SECTION 3. Section 102.109, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (b)(9), an oversight committee member, program integration committee member, or institute employee may represent the interests of this state by serving in an unpaid position on the board of directors of a grant recipient only after the institute has awarded the grant to the grant recipient.

SECTION 4. Section 102.203(e), Health and Safety Code, is amended to read as follows:

(e) Not more than 10 percent of the money appropriated to the fund by the legislature for grants in a state fiscal biennium [awarded under this subchapter] may be

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Substantially the same as introduced version.

No equivalent provision.

No equivalent provision.

SECTION 3. Section 102.203(e), Health and Safety Code, is amended to read as follows:

(e) Not more than 10 percent of the money appropriated by the legislature for grants in a state fiscal year [awarded under this subchapter] may be used for cancer

used for cancer prevention and control programs during any year.

prevention and control programs during that ~~[any]~~ year.

SECTION 5. Section 102.251, Health and Safety Code, is amended by adding Subsection (f) to read as follows:

No equivalent provision.

(f) The institute may not award a grant to an applicant who has on the applicant's board of directors a member of any committee established under this chapter or an institute employee.

SECTION 6. Section 102.254, Health and Safety Code, is amended to read as follows: Sec. 102.254. PERIOD FOR AWARDS. The oversight committee may not award money under Subchapter E [~~before January 1, 2008, or~~] after August 31, 2022 [2020].

No equivalent provision.

SECTION 7. Section 102.256, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

SECTION 4. Section 102.256, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The oversight committee may transfer its management and disposition authority over the state's interest in royalties, income, and other benefits realized as a result of projects undertaken with money awarded under Subchapter E to the Texas Treasury Safekeeping Trust Company. If the oversight committee transfers management and disposition authority under this subsection, the Texas Treasury Safekeeping Trust Company has any power necessary to accomplish the purposes of this section.

(c) The oversight committee may transfer its management and disposition authority over the state's interest in securities, equities, royalties, income, and other benefits realized as a result of projects undertaken with money awarded under Subchapter E to the Texas Treasury Safekeeping Trust Company. If the oversight committee transfers management and disposition authority under this subsection, the trust company has any power necessary to accomplish the purposes of this section.

No equivalent provision.

(d) In managing the assets described by Subsection (c) through procedures and subject to restrictions that the Texas Treasury Safekeeping Trust Company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire, exchange, sell, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment, including the requirements prescribed by Subsection (b) and the purposes described

by Section 102.002. The trust company may charge a fee to recover the reasonable and necessary costs incurred in managing assets under this section.

SECTION 8. Subchapter F, Chapter 102, Health and Safety Code, is amended by adding Section 102.2632 to read as follows:

Sec. 102.2632. INVESTMENT OWNERSHIP; CLOSED SESSION. The oversight committee may conduct a closed meeting under Chapter 551, Government Code, to discuss issues related to managing, acquiring, or selling equity or other revenue sharing obligations created under Section 102.256.

SECTION 9. Section 102.101(f), Health and Safety Code, is repealed.

SECTION 10. This Act takes effect September 1, 2017.

SECTION 2. Section 102.107, Health and Safety Code, is amended to read as follows:

Sec. 102.107. POWERS AND DUTIES.

(a) The oversight committee shall:

- (1) hire a chief executive officer;
- (2) annually set priorities as prescribed by the legislature for each grant program that receives money under this chapter; and
- (3) consider the priorities set under Subdivision (2) in awarding grants under this chapter.

(b) The oversight committee may conduct a closed meeting in accordance with Subchapter E, Chapter 551, Government Code, to discuss issues related to managing, acquiring, or selling securities or other revenue-sharing obligations realized under the standards established as required by Section 102.256.

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.