

BILL ANALYSIS

Senate Research Center

H.J.R. 90
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Finance
5/18/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A report entitled *The Cost of Cancer in Texas: A Report to the Texas Comprehensive Cancer Control Coalition on the Economic Impact of Cancer* by the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin and the Texas Health Care Information Council found that the total estimated direct medical costs due to cancer in 1998 were \$4.9 billion, and indirect costs from lost productivity were \$9.1 billion--for a total of about \$14 billion attributable to cancer in Texas that year.

H.J.R. 90 proposes a constitutional amendment providing for the establishment of the Cancer Prevention and Research Institute of Texas and authorizes the issuance of general obligation bonds for the purpose of scientific research of all forms of human cancer.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 67, as follows:

Sec. 67. (a) Requires the legislature to establish the Cancer Prevention and Research Institute of Texas (institute) to make grants to provide funds to public or private persons to implement the Texas Cancer Plan and to certain institutions and research facilities and collaborations in Texas, to collaborate with said institutions and research facilities and collaborations, and to establish appropriate standards and oversight bodies to ensure proper use of funds authorized under this provision.

(b) Authorizes the members of the governing body and any other decision-making body of the institute to serve four-year terms.

(c) Authorizes the legislature by general law to authorize the Texas Public Finance Authority (authority) to provide for, issue, and sell general obligation bonds of the State of Texas on behalf of the institute in an amount not to exceed \$3 billion and to enter into related credit agreements. Requires the bonds to be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the authority.

(d) Requires proceeds from the sale of the bonds to be deposited in separate funds or accounts, as provided by general law, within the state treasury to be used by the institute for the purposes of this section without appropriation.

(e) Authorizes the institute to use the proceeds from bonds issued under Subsection (c) of this section and federal or private grants and gifts to pay for certain grants and loans, purchases, and operating costs, notwithstanding any other provision of this constitution.

(f) Authorizes the bond proceeds to be used to pay the costs of issuing the bonds and any administrative expense related to the bonds.

(g) Provides that while any of the bonds or interest on the bonds authorized by this section is outstanding and unpaid, from the first money coming into the state treasury in each fiscal year not otherwise appropriated by this constitution, an amount sufficient to pay the principal of and interest on bonds that mature or become due during the fiscal year and to make payments that become due under a related credit agreement during the fiscal year is appropriated, less the amount in the sinking fund at the close of the previous fiscal year.

(h) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of the State of Texas under this constitution.

(i) Requires the recipient of a grant to have an amount of funds equal to one-half the amount of the grant dedicated to the research that is the subject of the grant request before the institute is authorized to make a grant of any proceeds issued under this section.

(j) Requires the authority to consider using a business whose principal place of business is located in the state to issue the bonds authorized by this section and requires the authority to include using a historically underutilized business as defined by general law.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.