

BILL ANALYSIS

Senate Research Center
82R1462 KLA-D

S.B. 73
By: Nelson
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2007, voters authorized the state to issue \$3 billion in general obligation bonds to fund the Cancer Prevention and Research Institute of Texas (CPRIT), with a limit of \$300 million per year for the next 10 years.

The Texas Public Finance Authority (TPFA) statute gives its other client agencies legal assurance to begin a project as soon as the issuance of bonds is approved, allowing them to take advantage of short-term, low-interest debt instruments by issuing debt incrementally. This bill extends this authority to CPRIT.

Specifically, this bill removes the statutory requirement that CPRIT escrow multi-year grant awards and extends TPFA's standard authority to stagger debt issuance to include CPRIT.

As proposed, S.B. 73 amends current law relating to the removal of certain limitations on the debt issuance of the Cancer Prevention and Research Institute of Texas.

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 Subchapter C, Chapter 1232, Government Code, by adding Section 1232.1221, as follows:

Sec. 1232.1221. COMMENCEMENT OF CERTAIN MULTIYEAR CANCER-RELATED PROJECTS. Authorizes a multiyear project for which funds are granted by the Cancer Prevention and Research Institute of Texas Oversight Committee (oversight committee) as authorized by Section 102.257, Health and Safety Code, to begin after:

- (1) the Texas Public Finance Authority (TPFA) has certified that obligations in an amount sufficient to pay the money needed to fund the project have been authorized for issuance by the authority and approved by the Bond Review Board; or
- (2) the proceeds have been deposited into the state treasury and the comptroller of public accounts has certified that the proceeds are available; the reserve funds and capitalized interest, as certified by TPFA as reasonably required, have been paid; and the costs of issuing the obligations, as certified by TPFA, have been paid.

SECTION 2. Amends Section 102.257, Health and Safety Code, as follows:

Sec. 102.257 MULTIYEAR PROJECTS. Requires the oversight committee to specify the total amount of money approved to fund the multiyear project, rather than requiring that all the money needed to fund a multiyear project be awarded in the state fiscal year that the project is approved by the research and preventions program committee.

Provides that the total amount specified is considered for purposes of Section 102.253 (Maximum Amount of Annual Awards) to have been awarded in the state fiscal year that the project is approved by the research and prevention programs committee. Requires that the remaining money be distributed by the institute as the money is needed in each subsequent fiscal year, rather than requiring that the remaining money be maintained in an escrow account to be distributed by the institute in subsequent years of the project.

SECTION 3. Makes application of this Act prospective to September 1, 2011.

SECTION 4. Effective date: September 1, 2011.