

BILL ANALYSIS

Senate Research Center
85R14343 JG-D

C.S.S.B. 81
By: Nelson
Health & Human Services
4/4/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas voters overwhelmingly approved a constitutional amendment in 2007 to establish the Cancer Prevention and Research Institute of Texas (CPRIT) and authorized the state to issue bonds to fund groundbreaking cancer research and prevention programs and services in Texas. S.B. 81 ensures that CPRIT awards are granted in an ethical and transparent manner while allowing CPRIT to fulfill its fiduciary responsibility to the state. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 81 amends current law relating to the operations of the Cancer Prevention and Research Institute of Texas; and authorizes a trust company to charge the institute an investment fee.

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 Section 572.003(c), Government Code, to include a member of the Cancer Prevention and Research Institute of Texas (CPRIT) among certain individuals who are appointed officers of a major state agency. Makes nonsubstantive changes.

SECTION 2. Amends Section 102.107, Health and Safety Code, as follows:

Sec. 102.107. POWERS AND DUTIES. (a) Creates this subsection from existing text and makes no further changes to this subsection.

(b) Authorizes the CPRIT oversight committee to conduct a closed meeting in accordance with Subchapter E (Procedures Relating to Closed Meeting), Chapter 551 (Open Meetings), Government Code, to discuss issues related to managing, acquiring, or selling securities or other revenue-sharing obligations as required by Section 102.256 (Patent Royalties and License Revenues Paid to State).

SECTION 3. Amends Section 102.203(e), Health and Safety Code, to provide that not more than 10 percent of the money appropriated by the legislature for grants in a state fiscal year, rather than not more than 10 percent of the money awarded under this subchapter, may be used for cancer prevention and control programs during that, rather than any, year.

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

(c) 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 under Subchapter E (Cancer Prevention and Research Fund) to the Texas Treasury Safekeeping Trust Company (trust company). Provides that if the CPRIT oversight committee transfers authority under this subsection, the trust company has any power necessary to accomplish the purposes of this section.

(d) Authorizes the trust company, in managing the assets described by Subsection (c) through procedures and subject to restrictions the 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, including the requirements prescribed by Subsection (b) (relating to requiring the oversight committee to balance the opportunity of the state to benefit from certain benefits) and the purposes described by Section 102.002 (Purposes). Authorizes the trust company to charge a fee to recover the reasonable and necessary costs incurred in managing assets under this section.

SECTION 5. Repealer: Section 102.101(f) (relating to the required disclosure of political contributions by CPRIT oversight committee members), Health and Safety Code.

SECTION 6. Effective date: September 1, 2017.