

BILL ANALYSIS

Senate Research Center
80R9838 MCK-F

S.J.R. 43
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Health & Human Services
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A report titled *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.

S.J.R. 43 proposes a constitutional amendment providing for the establishment of the Cancer 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 Research Institute of Texas (institute) to make grants and loans 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 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.

(c) Requires proceeds from the sale of the bonds to be deposited in a separate account within the state treasury created by the comptroller of public accounts (comptroller) for this purpose to be used by the institute for the purposes of this section without appropriation.

(d) Authorizes the institute to use the proceeds from bonds issued under Subsection (b) 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.

(e) Authorizes the maximum net effective interest rate to be borne by bonds issued under this section to be set by general law.

(f) 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.

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

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.