

By: Hinojosa, et al.

S.B. No. 1139

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the allocation of certain fees on the sale of cigarettes
3 and cigarette tobacco products manufactured by certain companies to
4 the permanent health fund for higher education and to the use of
5 money in that fund.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 63.001(b), Education Code, is amended to
8 read as follows:

9 (b) The fund is composed of:

10 (1) money transferred to the fund at the direction of
11 the legislature;

12 (2) money deposited to the credit of the fund under
13 Section 161.611, Health and Safety Code;

14 (3) gifts and grants contributed to the fund; and

15 (4) [~~3~~] the returns received from investment of
16 money in the fund.

17 SECTION 2. Sections 63.002(c) and (d), Education Code, are
18 amended to read as follows:

19 (c) The amount available for distribution from the fund may
20 be appropriated only for programs that benefit medical research,
21 health education, or treatment programs at the following
22 health-related institutions of higher education, schools, and
23 colleges:

24 (1) The University of Texas Health Science Center at

- 1 San Antonio;
- 2 (2) The University of Texas M. D. Anderson Cancer
3 Center;
- 4 (3) The University of Texas Southwestern Medical
5 Center;
- 6 (4) The University of Texas Medical Branch at
7 Galveston;
- 8 (5) The University of Texas Health Science Center at
9 Houston;
- 10 (6) The University of Texas Health Science Center at
11 Tyler;
- 12 (7) The University of Texas Health Science
13 Center--South Texas and its component institutions, if established
14 under Subchapter N, Chapter 74;
- 15 (8) The Texas A&M University Health Science Center;
- 16 (9) the University of North Texas Health Science
17 Center at Fort Worth;
- 18 (10) the Texas Tech University Health Sciences Center;
- 19 (11) the Texas Tech University Health Sciences Center
20 at El Paso; ~~and~~
- 21 (12) the Dell Medical School at The University of
22 Texas at Austin;
- 23 (13) the School of Medicine at The University of Texas
24 Rio Grande Valley;
- 25 (14) The University of Texas at Austin College of
26 Pharmacy;
- 27 (15) the Texas Southern University College of Pharmacy

1 and Health Sciences;

2 (16) the University of Houston College of Pharmacy;

3 and

4 (17) Baylor College of Medicine, if a contract between
5 Baylor College of Medicine and the Texas Higher Education
6 Coordinating Board is in effect under Section 61.092.

7 (d) The governing board of a health-related institution of
8 higher education, school, or college entitled to receive money
9 under this subchapter may solicit and accept gifts and grants to the
10 fund. A gift or grant to the fund shall be appropriated and
11 distributed and may be used in the same manner as an amount
12 appropriated under Section 63.003, subject to any limitation or
13 requirement placed on the gift or grant by the donor or granting
14 entity.

15 SECTION 3. Sections 63.003(a), (b), and (c), Education
16 Code, are amended to read as follows:

17 (a) The legislature shall appropriate the amount available
18 for distribution from the fund to the health-related institutions
19 of higher education, schools, and colleges listed in Section
20 63.002(c). The amount appropriated shall be distributed as
21 follows:

22 (1) 70 percent shall be distributed in equal amounts
23 to each institution, school, and college; and

24 (2) the remaining amount shall be distributed in equal
25 amounts for each of the following categories, with each
26 institution, school, or college receiving a share in each category
27 proportionate to the amount that the institution, school, or

1 college spent in that category in the preceding fiscal biennium as
2 determined by the institution's, school's, or college's annual
3 financial report, compared to the total spending of every
4 institution, school, and college listed in Section 63.002(c) in
5 that category in the preceding biennium:

- 6 (A) instructional expenditures;
- 7 (B) research expenditures; and
- 8 (C) unsponsored charity care.

9 (b) The amount appropriated under Subsection (a) shall be
10 distributed quarterly by the comptroller to each health-related
11 institution of higher education, school, and college listed in
12 Section 63.002(c).

13 (c) The Legislative Budget Board shall make any necessary
14 determination of each institution's, school's, or college's portion
15 of an amount appropriated under Subsection (a)(2) and shall provide
16 that information to the legislature and the comptroller.

17 SECTION 4. Section 161.601, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 161.601. PURPOSE. The purpose of this subchapter is
20 to:

21 (1) recover health care costs to the state imposed by
22 non-settling manufacturers;

23 (2) prevent non-settling manufacturers from
24 undermining this state's policy of reducing underage smoking by
25 offering cigarettes and cigarette tobacco products at prices that
26 are substantially below the prices of cigarettes and cigarette
27 tobacco products of other manufacturers;

1 (3) protect the tobacco settlement agreement and
2 funding, which has been reduced because of the growth of sales of
3 non-settling manufacturer cigarettes and cigarette tobacco
4 products, for programs that are funded wholly or partly by payments
5 to this state under the tobacco settlement agreement and recoup for
6 this state settlement payment revenue lost because of sales of
7 non-settling manufacturer cigarettes and cigarette tobacco
8 products;

9 (4) ensure evenhanded treatment of manufacturers and
10 further protect the tobacco settlement agreement and funding by
11 imposing a partial payment obligation on non-settling
12 manufacturers that already make payments on Texas sales under the
13 master settlement agreement until a credit amendment to that
14 agreement that will provide those manufacturers with a credit for
15 payments to Texas is effective; and

16 (5) provide funding for programs that benefit medical
17 research, health education, and treatment programs [~~any purpose the~~
18 ~~legislature determines~~].

19 SECTION 5. Section 161.611, Health and Safety Code, is
20 amended to read as follows:

21 Sec. 161.611. REVENUE DEPOSITED IN PERMANENT HEALTH FUND
22 FOR HIGHER EDUCATION [~~GENERAL REVENUE FUND~~]. The revenue from the
23 fees imposed by this subchapter shall be deposited in the state
24 treasury to the credit of the permanent health fund for higher
25 education [~~general revenue fund~~].

26 SECTION 6. This Act takes effect September 1, 2017.