

AN ACT relating to an income tax checkoff for the pediatric cancer research trust fund, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) Effective for taxable years beginning on or after January 1, 2016, any taxpayer required to file a return under KRS 141.180 who is entitled to an income tax refund and who desires to contribute to the pediatric cancer research trust fund created under Section 2 of this Act may designate an amount, not to exceed the amount of the refund, to be paid to the fund. A designation made under this section shall not affect the income tax liability of the taxpayer, but it shall reduce the income tax refund by the amount designated.

(2) The tax refund designation authorized by this section shall be printed on the face of the Kentucky individual income tax form.

(3) The instructions accompanying the individual income tax return shall include a description of the pediatric cancer research trust fund and the purposes for which the funds from the income tax checkoff may be used.

(4) The commissioner of the department shall, by July 1, 2017, and by July 1 of each year thereafter, transfer the funds designated by taxpayers under this section to the pediatric cancer research trust fund created by Section 2 of this Act.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The pediatric cancer research trust fund is hereby created as a separate trust fund. The fund shall be administered by the Cabinet for Health and Family Services.

(2) The fund shall receive amounts collected from the income tax checkoff created in Section 1 of this Act, and any other proceeds from grants, contributions,

appropriations, or other moneys made available for the purposes of this fund.

(3) Notwithstanding KRS 45.229, trust fund amounts not expended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year.

(4) Any interest earned on moneys in the trust fund shall become a part of the trust fund and shall not lapse.

(5) Trust fund moneys shall be used to support pediatric cancer research and treatment for Kentucky patients. Funds shall be administered and distributed by the pediatric cancer trust fund board established by Section 3 of this Act for the purposes directed in this section and Sections 3 and 4 of this Act.

(6) Moneys transferred to the trust fund pursuant to Section 1 of this Act are hereby appropriated for the purposes set forth in Section 4 of this Act.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The pediatric cancer trust fund board is hereby created for the purpose of administering and distributing funds from the trust created under Section 2 of this Act. The board shall be composed of nine (9) members to be appointed as follows:

(a) A specialist in pediatric oncology nominated by Kosair Children's Hospital to be appointed by the Governor;

(b) A specialist in pediatric oncology nominated by the University of Kentucky Children's Hospital to be appointed by the Governor;

(c) A specialist in pediatric oncology nominated by the Cincinnati Children's Hospital Medical Center to be appointed by the Governor;

(d) A representative nominated by Kentucky Chapters of the Leukemia and Lymphoma Society to be appointed by the Governor;

(e) A representative nominated by Kentucky offices of the American Cancer Society to be appointed by the Governor;

- (f) Two (2) citizens, one (1) of whom shall be a pediatric cancer survivor, or parent thereof to be appointed by the Governor from a list of four (4) citizens nominated by Kentucky offices of the American Cancer Society;
- (g) The secretary of the Cabinet for Health and Family Services, or the secretary's designee; and
- (h) The commissioner of the Department for Public Health, or the commissioner's designee.
- (2) The board shall be attached to the Cabinet for Health and Family Services for administrative purposes.
- (3) The secretary of the Cabinet for Health Services shall convene the first meeting of the board within sixty (60) days of the effective date of this Act.
- (4) Board members shall serve without compensation, but may receive reimbursement for their actual and necessary expenses incurred in the performance of their duties.
- (5) The term of each appointed member shall be four (4) years.
- (6) A member whose term has expired may continue to serve until a successor is appointed and qualifies. A member who is appointed to an unexpired term shall serve the rest of the term and until a successor is appointed and qualifies. A member may serve two (2) consecutive four (4) year terms and shall not be reappointed for four (4) years after the completion of those terms.
- (7) A majority of the full membership of the board shall constitute a quorum.
- (8) At the first meeting, the board shall elect, by majority vote, a president who shall preside at all meetings and coordinate the functions and activities of the board. The president shall be elected or reelected each calendar year thereafter.
- (9) The board shall meet at least two (2) times annually, but may meet more frequently, as deemed necessary, subject to call by the president or by request of a majority of the board members.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

The pediatric cancer research fund board created by Section 3 of this Act shall:

(1) Develop a written plan for the expenditure of trust funds made available under Section 2 of this Act. The initial plan shall be completed on or before October 1, 2015, and shall be updated on an annual basis on or before October 1 of each year thereafter. The plan shall, at a minimum, include the following:

(a) A summary of existing pediatric cancer research, awareness, treatment, and funding programs provided to children of Kentucky;

(b) A needs assessment for the pediatric cancer patients of the Commonwealth of Kentucky that identifies additional research funding needs by cancer type and geographic area, with support for why the identified programs are needed; and

(c) A prioritized list of programs and research projects that the board will address with funding available through the competitive grant program established under subsection (2) of this section;

(2) Promulgate administrative regulations to establish a competitive, open grant program to provide funding to not-for-profit entities, academic medical centers and government agencies offering research funding and treatment for pediatric cancer to Kentucky children impacted by the disease.

(a) The grant program shall provide funding to research projects and programs in accordance with the priorities established in the plan developed under subsection (1) of this section.

(b) The administrative regulations shall, at a minimum:

1. Establish an application process and requirements;

2. Set forth program and outcome measurement requirements;

3. Establish an application review and award process; and

4. Provide monitoring, oversight, and reporting requirements for funded programs;
- (3) Promulgate administrative regulations necessary to carry out the provisions of this section and Section 3 of this Act; and
- (4) Provide to the Governor and the Legislative Research Commission an annual report by October 1 of each year. The report shall include:
 1. The plan developed under subsection (1) of this section for the expenditure of funds for the current and next fiscal year;
 2. A summary of the use and impact of prior year funds;
 3. A summary of the activities of the board during the prior fiscal year; and
 4. Any recommendations for future initiatives or action regarding pediatric cancer research funding.