

## **BILL ANALYSIS**

H.B. 782  
By: Grusendorf  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Involving the private sector in supporting public education could help school districts generate extra revenue. The city of Huntington Beach, California is using an innovative approach to encourage such involvement by contracting with a marketing consultant and bank to issue credit and debit cards to private citizens who designate their rebates from using the cards to the city for parks, libraries, and other services. The city will select a bank to issue a so called "affinity card" that gives monetary benefits to the cardholder like merchant discounts and rebates to the city. House Bill 782 provides the comptroller of public accounts authority to contract with private banks and marketing firms to issue credit and debit cards to benefit public schools.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

House Bill 782 allows the comptroller of public accounts to enter into contracts with credit or debit card issuers in which the issuers would agree to remit sums of money based on the use of credit or debit cards to the comptroller for distribution to public schools designated as recipients by cardholders. The bill also grants authority to the comptroller to approve the design of cards, the advertising of the program, and negotiate the financial terms of the program.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.