

BILL ANALYSIS

C.S.H.B. 2915
By: Wise
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are five Texas higher education authorities which are defined as Qualified Nonprofit Corporations under Chapter 53, Subchapter 53.47 of the Education Code. These authorities are nonprofit corporations that were established over 25 years ago by the Legislature to provide student loan access in the state of Texas. Their programs are funded primarily through the issuance of tax-exempt student loan bonds.

Section 53.47 of the Education Code currently requires any new non-profit corporation that wishes to issue tax-exempt student loan bonds to prove that it fills a need not already met by the five existing Qualified Nonprofit Corporations.

During the 77th Regular Session, CSHB 1938 was passed which limited the authority for making education loans to Texas nonprofit corporations that had an established record of servicing loans under the Texas Higher Education Authority Act. The definition of a “*qualified nonprofit corporation*” as outlined in House Bill 1938 is due to expire in September 1, 2003. This legislation would remove that expiration date and leave the current definition in statute.

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

CSHB 2915 repeals Section 53.47(k), Education Code, to eliminate the expiration of Section 53.47(a)(6), which provides the definition of a “qualified non-profit corporation.”

CSHB 2915 provides that if this Act takes effect on or after September 1, 2003, Section 53.47(a), Education Code, is amended by adding Subdivision (6) to reinstate the existing definition of a qualified non-profit corporation.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute conforms the original to Texas Legislative Council style and format, and reinstates the definition of a qualified non-profit corporation.