

AN ACT

relating to the comptroller entering into an agreement with a credit or debit card issuer for the benefit of public schools.

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

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0232 to read as follows:

Sec. 403.0232. CREDIT OR DEBIT CARD AGREEMENT BENEFITING PUBLIC SCHOOLS. (a) In this section, "debit card" includes a prepaid debit card.

(b) The comptroller may enter an agreement with a credit or debit card issuer under which:

(1) the issuer is required to pay to the comptroller an amount of money based on the use of the credit or debit card by the cardholders; and

(2) the issuer is permitted to:

(A) represent to the public that use of the credit or debit card benefits public schools; and

(B) design credit or debit cards issued under the agreement to indicate that benefit.

(c) The form of any representation of benefit to public schools and the design of credit or debit cards issued under the agreement must be approved by the comptroller.

(d) In evaluating an issuer's proposal to enter into an agreement under this section, the comptroller shall consider:

- 1 (1) the financial stability of the issuer;
- 2 (2) whether the proposal offers the best available
- 3 financial terms for the state and cardholders;
- 4 (3) the strength of the marketing effort to be made by
- 5 the issuer and its marketing partners; and
- 6 (4) other issues the comptroller determines are
- 7 appropriate.

8 (e) The agreement between the comptroller and the issuer
9 must allow the cardholder to designate a particular school district
10 as the recipient of money generated by the cardholder's credit or
11 debit card use and should to the extent practicable allow the
12 cardholder to designate a particular school. If the cardholder
13 does not designate a particular school district or school, the
14 comptroller shall deposit money received under this section to the
15 credit of the foundation school fund.

16 SECTION 2. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 966 passed the Senate on April 22, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 966 passed the House on May 28, 2003, by the following vote: Yeas 129, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor