

1-1 By: Averitt S.B. No. 966
1-2 (In the Senate - Filed March 6, 2003; March 13, 2003, read
1-3 first time and referred to Committee on Finance; April 10, 2003,
1-4 reported favorably by the following vote: Yeas 13, Nays 0;
1-5 April 10, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the comptroller entering into an agreement with a
1-9 credit or debit card issuer for the benefit of public schools.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter B, Chapter 403, Government Code, is
1-12 amended by adding Section 403.0232 to read as follows:

1-13 Sec. 403.0232. CREDIT OR DEBIT CARD AGREEMENT BENEFITING
1-14 PUBLIC SCHOOLS. (a) In this section, "debit card" includes a
1-15 prepaid debit card.

1-16 (b) The comptroller may enter an agreement with a credit or
1-17 debit card issuer under which:

1-18 (1) the issuer is required to pay to the comptroller an
1-19 amount of money based on the use of the credit or debit card by the
1-20 cardholders; and

1-21 (2) the issuer is permitted to:

1-22 (A) represent to the public that use of the
1-23 credit or debit card benefits public schools; and

1-24 (B) design credit or debit cards issued under the
1-25 agreement to indicate that benefit.

1-26 (c) The form of any representation of benefit to public
1-27 schools and the design of credit or debit cards issued under the
1-28 agreement must be approved by the comptroller.

1-29 (d) In evaluating an issuer's proposal to enter into an
1-30 agreement under this section, the comptroller shall consider:

1-31 (1) the financial stability of the issuer;

1-32 (2) whether the proposal offers the best available
1-33 financial terms for the state and cardholders;

1-34 (3) the strength of the marketing effort to be made by
1-35 the issuer and its marketing partners; and

1-36 (4) other issues the comptroller determines are
1-37 appropriate.

1-38 (e) The agreement between the comptroller and the issuer
1-39 must allow the cardholder to designate a particular school district
1-40 as the recipient of money generated by the cardholder's credit or
1-41 debit card use and should to the extent practicable allow the
1-42 cardholder to designate a particular school. If the cardholder
1-43 does not designate a particular school district or school, the
1-44 comptroller shall deposit money received under this section to the
1-45 credit of the foundation school fund.

1-46 SECTION 2. This Act takes effect immediately if it receives
1-47 a vote of two-thirds of all the members elected to each house, as
1-48 provided by Section 39, Article III, Texas Constitution. If this
1-49 Act does not receive the vote necessary for immediate effect, this
1-50 Act takes effect September 1, 2003.

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