

By: Shapleigh

S.B. No. 498

A BILL TO BE ENTITLED

AN ACT

relating to the development of a financial literacy program for consumers.

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

SECTION 1. Title 5, Finance Code, is amended by adding Chapter 397 to read as follows:

CHAPTER 397. CONSUMER EDUCATION PROGRAMS

SUBCHAPTER A. FINANCIAL LITERACY EDUCATION PROGRAM

Sec. 397.001. DEFINITION. In this subchapter, "institution of higher education" means a public institution of higher education as defined by Section 61.003, Education Code, or a private college or university that issues degrees in this state and is accredited by a recognized accrediting agency as defined by Section 61.003, Education Code.

Sec. 397.002. DUTY OF CERTAIN AGENCIES TO CREATE A FINANCIAL LITERACY EDUCATION PROGRAM. The Office of Consumer Credit Commissioner, the State Securities Board, and the Texas Education Agency shall collaborate to develop a financial literacy education program for adults and children. The agencies shall develop materials for the use of students at appropriate grade levels and for the public.

Sec. 397.003. CONTENT OF THE FINANCIAL LITERACY EDUCATION PROGRAM. The financial literacy education program must focus on teaching adults and children to make informed financial decisions.

1 The agencies specified in Section 397.002 shall develop educational
2 material addressing consumers' financial issues, including:

3 (1) how to eliminate credit card debt;

4 (2) how to manage money to make the transition from
5 renting a home to home ownership;

6 (3) how to start a small business;

7 (4) how to be a prudent investor in the stock market
8 and using other investment options and how to begin a savings
9 program;

10 (5) information about bankruptcy;

11 (6) information about the types of bank accounts
12 available to consumers and the benefits of maintaining a bank
13 account; and

14 (7) information about the types of loans available to
15 consumers and how to become a low-risk borrower.

16 Sec. 397.004. DUTY TO CREATE FINANCIAL LITERACY MATERIAL
17 RELATED TO FINANCIAL AID FOR HIGHER EDUCATION. The agencies
18 developing the financial literacy education program and the Texas
19 Higher Education Coordinating Board shall collaborate to develop
20 financial literacy material concerning financial aid for higher
21 education and provide these materials to financial aid officers at
22 institutions of higher education. Financial aid officers at public
23 institutions of higher education shall use these materials to
24 educate students about financial aid options and debt management.

25 Sec. 397.005. AVAILABILITY OF FINANCIAL LITERACY MATERIALS
26 ON THE INTERNET. The agencies developing the financial literacy
27 education program shall work with the Department of Information

1 Resources to make the financial literacy materials created under
2 this chapter available on the Internet through the TexasOnline
3 government portal or any successor to that portal.

4 Sec. 397.006. INCORPORATION OF FINANCIAL LITERACY
5 EDUCATION PROGRAM INTO PUBLIC SCHOOL CURRICULUM. Each local school
6 district is encouraged to incorporate the financial literacy
7 education program into its regular school curriculum for all grade
8 levels.

9 Sec. 397.007. FUNDING FOR FINANCIAL LITERACY EDUCATION
10 PROGRAM. The agencies developing the program shall fund the
11 financial literacy education program in collaboration with and
12 through sponsorship by businesses and through federal programs,
13 private or public grants, or other sources.

14 SECTION 2. Not later than December 1, 2007, the Office of
15 Consumer Credit Commissioner, the State Securities Board, and the
16 Texas Education Agency jointly shall submit a written report to the
17 legislature on the results of the financial literacy education
18 program and the agencies' recommendations for promoting adult
19 financial literacy in the state.

20 SECTION 3. This Act takes effect September 1, 2005.