

By: West, Royce

S.B. No. 817

A BILL TO BE ENTITLED

AN ACT

relating to financial transaction awareness plans to be adopted by public institutions of higher education.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.955 to read as follows:

Sec. 51.955. FINANCIAL TRANSACTION AWARENESS PLANS. (a)

In this section:

(1) "Credit card issuer" includes a representative of a credit card issuer.

(2) "Governing board" has the meaning assigned by Section 61.003.

(b) The governing board of each institution of higher education shall develop and implement a financial transaction awareness plan to:

(1) educate the institution's students concerning safe and unsafe practices in financial transactions, especially credit card transactions and solicitations for credit card applications; and

(2) protect students from financial situations, especially situations involving credit cards, that may negatively affect student financial security or credit scores.

(c) A plan developed under Subsection (a) must:

(1) prohibit a credit card issuer from entering the

1 institution's campus to solicit or distribute credit card  
2 applications unless the issuer, in the manner prescribed by the  
3 plan, applies to participate in one or more solicitation events on  
4 campus and receives the institution's written approval to  
5 participate;

6 (2) as part of the application process under  
7 Subdivision (1), require a credit card issuer to pay an annual fee  
8 in an amount established by the plan;

9 (3) require the institution to use the money collected  
10 under Subdivision (2) to provide to the institution's students  
11 regular financial awareness events, including presentations on  
12 financial matters, credit card counseling, and financial awareness  
13 and management classes;

14 (4) require a credit card issuer to be sponsored by a  
15 student organization as a condition of approving the issuer's  
16 application to participate in solicitation events on campus;

17 (5) prohibit a credit card issuer from accepting a  
18 student's completed application for a credit card during a  
19 solicitation event;

20 (6) restrict on-campus distribution by credit card  
21 issuers of free items or other incentives, including prizes; and

22 (7) require a credit card issuer to include  
23 information on safe practices in credit card transactions as part  
24 of any credit application provided to a student by the issuer.

25 SECTION 2. Not later than January 1, 2006, each public  
26 institution of higher education shall develop and implement a  
27 financial transaction awareness plan as required by Section 51.955,

1 Education Code, as added by this Act.

2 SECTION 3. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2005.