

BILL ANALYSIS

S.B. 114
By: Van de Putte
Higher Education
Committee Report (Amended)

BACKGROUND AND PURPOSE

The cost of textbooks has risen dramatically over the past 10 years. According to a study conducted by the Texas State University faculty and staff, a Texas college or university student currently pays an average of \$900 per year for textbooks.

One of the contributing factors to rising textbook costs is that universities and colleges have entered into exclusive contractual agreements under which they exclusively extend credit to their own university bookstores. In return, institutions receive a percentage of the profits. These exclusive contracts and extensions of credit have the effect of requiring students to purchase instructional materials from college-owned and university-owned bookstores instead of allowing students to buy lower-priced books elsewhere.

As proposed, S.B. 114 requires colleges and universities to implement business practices that provide additional opportunities for non-university-owned bookstore to participate in the textbook market.

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

SECTION 1: Amends Subchapter Z, Chapter 51 of the Education Code, by adding Section 51.949, relating to the information for bookstores relating to instructional materials.

Defines "institution of higher education," "instructional materials," and "university-affiliated bookstore." Provides that a specific section does not apply to an institution of higher education with a university-affiliated bookstore if the bookstore is owned and operated by the institution. Requires each institution of higher education (institution) to make available for public inspection through the Internet or in person a list of required or recommended instructional materials for a semester or other academic term at the same time the institution provides the list to the operator of a university-affiliated bookstore.

Provides that to the extent that space for an activity described is available, an institution shall provide to a retailer or other provider of instructional materials that holds a sales tax permit issued to the provider the same opportunity as an operator of a university-affiliated bookstore to participate in any programs related to the dissemination or provision of instructional materials for students of the institution, including providing information at student orientation or participating in a program of repurchasing instructional materials. Provides that if sufficient space is not available for each provider of instructional materials, other than an operator of a university-affiliated bookstore, that holds a sales tax permit and that applies to participate in an activity described, the institution shall provide the available space in the same order as those providers applied to participate in the activity.

Provides that an institution may charge to a provider of instructional materials, other than an operator of a university-affiliated bookstore, a reasonable fee for participation in an activity described. Provides that if an institution works in conjunction with a university-affiliated bookstore to provide a method for the extension of credit or the ability of a student to charge or otherwise delay the payment of costs of instructional materials, including the extension of credit,

S.B. 114 80(R)

the institution shall provide to any other provider of instructional materials to students of the institution that holds a sales tax permit issued to the provider equal access and opportunity to use or develop the same or similar method of payment at a reasonable cost to that person.

Provides that there is no restriction on an institution from adopting or enforcing a policy that is necessary to ensure the institutions compliance with a rule or policy of the National Collegiate Athletic Association or of another organization governing intercollegiate athletic competition of which the institution is a member.

SECTION 2: Makes application of this Act prospective.

Requires each public institution, as soon as practicable on or after the effective date of this Act, to designate an officer or employee of the institution to ensure the institution's compliance with Section 51.949 of the Education Code, as added by this Act.

SECTION 3: Effective date.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

EXPLANATION OF AMENDMENTS

Committee amendment number 1 inserts new information between SECTIONS 1 and 2 of the bill. Subchapter Z, Chapter 51 of the Education Code is amended by adding Section 51.9491 relating to textbook publishers and the availability of information to faculty concerning textbook prices and revisions. Defines "faculty member," "institution of higher education," "textbook," and "university-affiliated bookstore." Provides that a textbook publisher shall make available to a faculty member of an institution of higher education the price at which the publisher would make available to a university-affiliated bookstore that serves students of the institution a textbook that is published by the publisher, and is in an academic discipline in which the faculty member teaches a course at the institution; and the history of any revisions to a textbook described.

Amendment number 1 also makes other conforming, non-substantive and clarifying changes.