

By: Truitt

H.B. No. 2341

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain investment products made available to certain
3 public school employees.

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

5 SECTION 1. Section 9, Chapter 22, Acts of the 57th
6 Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's
7 Texas Civil Statutes), is amended to read as follows:

8 Sec. 9. (a) An educational institution may not:

9 (1) except as provided by Subsection (b) of this
10 section, refuse to enter into a salary reduction agreement with an
11 employee if the qualified investment product that is the subject of
12 the salary reduction is an eligible qualified investment;

13 (2) require or coerce an employee's attendance at any
14 meeting at which qualified investment products are marketed;

15 (3) limit the ability of an employee to initiate,
16 change, or terminate a qualified investment product at any time the
17 employee chooses;

18 (4) grant exclusive access to an employee by
19 discriminating against or imposing barriers to any agent, broker,
20 or company that provides qualified investment products under this
21 Act;

22 (5) grant exclusive access to information about an
23 employee's financial information, including information about an
24 employee's qualified investment products, to a company or agent

1 offering qualified investment products unless the employee
2 consents in writing to the access;

3 (6) accept any benefit from a company or from an agent
4 or affiliate of a company that offers qualified investment
5 products; or

6 (7) use public funds to recommend a qualified
7 investment product offered by a company or an agent of a company
8 that offers a qualified investment product.

9 (b) An educational institution may refuse to enter into a
10 salary reduction agreement with an employee if:

11 (1) the eligible qualified investment product that is
12 the subject of the salary reduction agreement is offered by a
13 company that does not comply with the educational institution's
14 administrative requirements;

15 (2) the educational institution imposes the
16 administrative requirements uniformly on all companies that offer
17 eligible qualified investment products; and

18 (3) the administrative requirements are necessary to
19 comply with employer responsibilities imposed by:

20 (A) Section 403(b), Internal Revenue Code of
21 1986, and its subsequent amendments;

22 (B) any other provision of the Internal Revenue
23 Code of 1986 that applies to Section 403(b);

24 (C) any regulation adopted in relation to a law
25 described by Paragraph (A) or (B) of this subdivision that is
26 effective after December 31, 2007; or

27 (D) any change to this Act that becomes effective

1 after January 1, 2007.

2 SECTION 2. This Act takes effect September 1, 2007.