By: Truitt H.B. No. 2341

A BILL TO BE ENTITLED

AN ACT

relating to certain investment products made available to certain public school employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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