

1-1 By: Truitt (Senate Sponsor - Duncan) H.B. No. 2341
1-2 (In the Senate - Received from the House April 26, 2007;
1-3 May 1, 2007, read first time and referred to Committee on
1-4 Education; May 10, 2007, reported favorably by the following vote:
1-5 Yeas 5, Nays 0; May 10, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain investment products made available to certain
1-9 public school employees.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 9, Chapter 22, Acts of the 57th
1-12 Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's
1-13 Texas Civil Statutes), is amended to read as follows:

1-14 Sec. 9. (a) An educational institution may not:

1-15 (1) except as provided by Subsection (b) of this
1-16 section, refuse to enter into a salary reduction agreement with an
1-17 employee if the qualified investment product that is the subject of
1-18 the salary reduction is an eligible qualified investment;

1-19 (2) require or coerce an employee's attendance at any
1-20 meeting at which qualified investment products are marketed;

1-21 (3) limit the ability of an employee to initiate,
1-22 change, or terminate a qualified investment product at any time the
1-23 employee chooses;

1-24 (4) grant exclusive access to an employee by
1-25 discriminating against or imposing barriers to any agent, broker,
1-26 or company that provides qualified investment products under this
1-27 Act;

1-28 (5) grant exclusive access to information about an
1-29 employee's financial information, including information about an
1-30 employee's qualified investment products, to a company or agent
1-31 offering qualified investment products unless the employee
1-32 consents in writing to the access;

1-33 (6) accept any benefit from a company or from an agent
1-34 or affiliate of a company that offers qualified investment
1-35 products; or

1-36 (7) use public funds to recommend a qualified
1-37 investment product offered by a company or an agent of a company
1-38 that offers a qualified investment product.

1-39 (b) An educational institution may refuse to enter into a
1-40 salary reduction agreement with an employee if:

1-41 (1) the eligible qualified investment product that is
1-42 the subject of the salary reduction agreement is offered by a
1-43 company that does not comply with the educational institution's
1-44 administrative requirements;

1-45 (2) the educational institution imposes the
1-46 administrative requirements uniformly on all companies that offer
1-47 eligible qualified investment products; and

1-48 (3) the administrative requirements are necessary to
1-49 comply with employer responsibilities imposed by:

1-50 (A) Section 403(b), Internal Revenue Code of
1-51 1986, and its subsequent amendments;

1-52 (B) any other provision of the Internal Revenue
1-53 Code of 1986 that applies to Section 403(b);

1-54 (C) any regulation adopted in relation to a law
1-55 described by Paragraph (A) or (B) of this subdivision that is
1-56 effective after December 31, 2007; or

1-57 (D) any change to this Act that becomes effective
1-58 after January 1, 2007.

1-59 SECTION 2. This Act takes effect September 1, 2007.

1-60 * * * * *