

By: Morrison

H.B. No. 2974

A BILL TO BE ENTITLED

AN ACT

relating to the manner of payment of higher education tuition and fees and to the repayment of emergency student loans.

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

SECTION 1. Section 54.007, Education Code, is amended by amending Subsections (a), (b), and (d), by amending and relettering Subsection (f), as added by Chapter 888, Acts of the 79th Legislature, Regular Session, 2005, as Subsection (g), and by adding Subsection (b-1) to read as follows:

(a) The governing board of each institution of higher education shall provide for the payment of tuition and fees for ~~during~~ the fall and spring semesters through one of the following alternatives:

(1) except as provided by Subsection (b-1), full payment of tuition and fees in advance of the beginning of the semester; or

(2) [one-half] payment in installments under one or more payment plan options that require the first payment to be made [of tuition and fees] in advance of the beginning of the semester and the final payment to be made before the last day of the semester ~~[, one-quarter payment prior to the start of the sixth class week, and the final one-quarter payment before the beginning of the eleventh class week].~~

(b) The governing board of each institution of higher

1 education shall provide for [~~may permit~~] the payment of tuition and  
2 fees for [~~during~~] a summer term through one of the following  
3 alternatives:

4 (1) except as provided by Subsection (b-1), full [~~for~~  
5 ~~a student enrolled for a summer term of 12 weeks or longer that is~~  
6 ~~not covered by Subdivision (2), one-half]~~ payment of tuition and  
7 fees in advance of the beginning of the summer term[~~, one-quarter~~  
8 ~~payment before the beginning of the fifth class week, and the final~~  
9 ~~one-quarter payment before the beginning of the ninth class week]~~;

10 (2) [~~for a student enrolled for a summer term of 16~~  
11 ~~weeks or longer, one-half]~~ payment in installments under one or  
12 more payment plan options that require the first payment to be made  
13 [~~of tuition and fees]~~ in advance of the beginning of the summer term  
14 and the final payment to be made before the last day of the term[~~,~~  
15 ~~one-quarter payment before the beginning of the sixth class week,~~  
16 ~~and the final one-quarter payment before the beginning of the 11th~~  
17 ~~class week]~~; or [~~and~~]

18 (3) for a student enrolled for a summer term [~~not~~  
19 ~~covered by Subdivision (1) or (2)] in a public junior college,  
20 public technical institute, or public state college, one-half  
21 payment of tuition and fees in advance of the beginning of the  
22 summer term and the remaining amount in one or two later payments to  
23 be made in the percentages and by the dates determined by the  
24 governing board of the college or institute, provided that the  
25 final payment must be made before the beginning of the last week of  
26 the summer term.~~

27 (b-1) A student who owes a balance of tuition and fees as a

1 result of a change in the student's class schedule or who owes a  
2 balance of tuition and fees of less than \$100 after making an  
3 insufficient payment of tuition and fees previously due shall pay  
4 the balance owed not later than the next payment date established by  
5 the governing board under a payment plan adopted under Subsection  
6 (a)(2) or (b)(2), as applicable.

7 (d) A student who fails to make a full payment of the  
8 required amount of tuition and fees, including any incidental fees,  
9 by the due date may be prohibited from registering for classes until  
10 full payment is made. A student who fails to make full payment  
11 prior to the end of the semester or summer term may be denied credit  
12 for the work done that semester or term. The governing board may  
13 not impose on a student any sanction authorized by this subsection  
14 unless the governing board includes in any written or electronic  
15 agreement authorized [~~promissory note signed~~] by the [~~a~~] student  
16 the following statement printed in bold-faced type or in capital  
17 letters: "A STUDENT WHO FAILS TO MAKE FULL PAYMENT OF TUITION AND  
18 FEES, INCLUDING ANY INCIDENTAL FEES, BY THE DUE DATE MAY BE  
19 PROHIBITED FROM REGISTERING FOR CLASSES UNTIL FULL PAYMENT IS MADE.  
20 A STUDENT WHO FAILS TO MAKE FULL PAYMENT PRIOR TO THE END OF THE  
21 SEMESTER OR TERM MAY BE DENIED CREDIT FOR THE WORK DONE THAT  
22 SEMESTER OR TERM." The governing board shall notify a student of  
23 any delinquent tuition or fee payment as soon as practicable. The  
24 institution's records may be adjusted to reflect the student's  
25 failure to have properly enrolled for that semester.

26 (g) [~~(f)~~] The governing board shall require a student who  
27 elects to pay tuition and fees by installment under this section to

1 enter into a written or electronic agreement reflecting the terms  
2 and conditions required by this section for the installment plan  
3 provided for the student by the governing board.

4 SECTION 2. Section 56.053(a), Education Code, as amended by  
5 Chapters 80 and 655, Acts of the 77th Legislature, Regular Session,  
6 2001, is reenacted and amended to read as follows:

7 (a) The governing board of each institution shall adopt  
8 rules providing for the terms of the loan, subject to the following:

9 (1) the loan must be repaid over a period not to exceed  
10 90 days for a loan made for a regular semester or long summer  
11 session or over a proportionately shorter period for loans made for  
12 a six-week summer session;

13 (2) the loan must be evidenced by a written or  
14 electronic agreement providing for one of the following:

15 (A) [~~promissory note that bears~~] interest on the  
16 loan at a rate of not more than five percent per year; or

17 (B) an origination fee of not more than three  
18 percent of the amount of the loan; and

19 (3) the maximum loan amount per student may not be  
20 greater than an amount equal to the tuition and mandatory  
21 [~~required~~] fees for the courses in which the student is actually  
22 enrolling.

23 [~~(3) the maximum loan amount per student may not be~~  
24 ~~less than an amount equal to the tuition and required fees for the~~  
25 ~~courses in which the student is actually enrolling, unless the~~  
26 ~~institution determines that a lower amount would be in the best~~  
27 ~~interest of the student.~~]

1           SECTION 3. Section 56.053, Education Code, is amended by  
2 adding Subsection (c) to read as follows:

3           (c) The maximum loan amount established under Subsection  
4 (a)(3) does not entitle a student to a loan in that amount, and an  
5 institution may lend the student an amount that is less than the  
6 maximum amount if the institution determines that a lower amount is  
7 in the best interest of the student.

8           SECTION 4. (a) The change in law made by this Act applies to  
9 payment of tuition and fees and to emergency student loans for an  
10 academic period beginning with the 2007 fall semester unless this  
11 Act takes effect after July 1, 2007, in which event the change in  
12 law applies beginning with the 2008 spring semester.

13           (b) Payment of tuition and fees and emergency student loans  
14 for an academic period before the semester provided by Subsection  
15 (a) of this section are covered by the applicable law in effect  
16 before the effective date of this Act, and the former law is  
17 continued in effect for that purpose.

18           SECTION 5. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2007.