

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. Subsection (a), Section 56.053, Education Code,
5 as amended by Chapters 80 and 655, Acts of the 77th Legislature,
6 Regular Session, 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 1.25
18 percent of the amount of the loan; and

19 (3) the [~~maximum~~] loan amount per student may not
20 exceed [~~be greater than~~] an amount equal to the tuition and
21 mandatory [~~required~~] fees for the courses in which the student is
22 actually 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. (a) The change in law made by this Act applies
2 to payment of tuition and fees and to emergency student loans for an
3 academic period beginning with the 2007 fall semester unless this
4 Act takes effect after July 1, 2007, in which event the change in
5 law applies beginning with the 2008 spring semester.

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

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1232 passed the Senate on April 19, 2007, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 26, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1232 passed the House, with amendments, on May 23, 2007, by the following vote: Yeas 144, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor