

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 215
By: Van de Putte
Higher Education
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The cost of textbooks has risen dramatically over the last 20 years. The United States Government Accountability Office reported that college textbook costs have increased at twice the rate of inflation in recent years. In the last five years, textbook prices have risen 40 percent. According to a study conducted by the Texas State University faculty and staff, a Texas college or university student currently pays an average of \$900 per year for textbooks.

One of the contributing factors to rising textbook costs is that universities and colleges have entered into exclusive contractual agreements under which they exclusively extend credit to their own university bookstores. In return, institutions receive a percentage of the profits. These exclusive contracts and extensions of credit have the effect of incentivizing institutions of higher education to require students to purchase instructional materials from university-owned bookstores instead of allowing students to shop for lower-priced books elsewhere.

C.S.S.B. 215 amends current law relating to the sale of instructional materials to students of public institutions of higher education.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 51, Education Code, by adding Section 51.949, as follows:

Sec. 51.949. FAIR TREATMENT OF INDEPENDENT BOOKSTORES. (a) Defines "institution of higher education," "instructional materials," and "university-affiliated bookstore."

(b) Provides that this section does not apply to an institution of higher education (institution) with a university-affiliated bookstore that is owned and operated by the institution.

(c) Requires each institution to make available for public inspection through the Internet or in person a list of required or recommended instructional materials for a semester or other academic term at the same time the institution provides the list to the operator of the university-affiliated bookstore.

(d) Requires an institution to provide to a retailer or other provider of instructional materials that holds a sales tax permit issued to the provider under Subchapter F (Sales Tax Permits), Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, including the operator of a university-affiliated bookstore, a variety of opportunities to participate in any promotional activities related to the sale or repurchase of instructional materials to or from students of the institution. Authorizes a provider of instructional materials, other than an operator of a university-affiliated bookstore, to conduct the promotional activities described by this subsection only during the week preceding each semester or summer term, during the first week of each semester or summer term, during any student

orientation conducted by or for the institution, and during the two-week period preceding the last final examination administered during each semester or summer term.

(e) Requires the institution, if sufficient space is not available for each provider of instructional materials, other than an operator of a university-affiliated bookstore, that holds a sales tax permit and that applies to participate in an activity described by Subsection (d), to provide the available space in the same order as those providers applied to participate in the activity.

(f) Provides that Subsections (d) and (e) do not permit any provider of instructional materials that is not an operator of a university-affiliated bookstore to sell or repurchase instructional materials on the campus of the institution.

(g) Authorizes an institution to charge to a provider of instructional materials, other than an operator of a university-affiliated bookstore, a reasonable fee for participation in an activity described by Subsection (d).

(h) Requires an institution, if the institution works with a university-affiliated bookstore, to provide a method for the extension of credit or the ability of a student to charge or otherwise delay the payment of the costs of instructional materials, including the extension of credit under Section 51.929(b) (relating to the withholding of grant or loan funds), to provide to any other provider of instructional materials to students of the institution that holds a sales tax permit issued to the provider under Subchapter F, Chapter 151, Tax Code, equal access and opportunity to use or develop the same or similar method of payment at a reasonable cost to that person.

(i) Provides that Subsection (h) does not restrict an institution from adopting or enforcing a policy that is necessary to ensure the institution's compliance with a rule or policy of the National Collegiate Athletic Association or of another organization governing intercollegiate athletic competition of which the institution is a member.

SECTION 2. (a) Makes application of this Act prospective.

(b) Provides that Section 51.949, Education Code, as added by this Act, does not affect the terms of a contract entered into before the effective date of this Act, except that if the contract is renewed, modified, or extended on or after the effective date of this Act, Section 51.949 applies to the contract beginning on the date of renewal, modification, or extension.

(c) Requires each institution to which Section 51.949, Education Code, as added by this Act, applies, as soon as practicable on or after the effective date of this Act, to designate an officer or employee of the institution to ensure the institution's compliance with that section.

SECTION 3. Effective date: upon passage or September 1, 2009.