A BILL TO BE ENTITLED

AN ACT
relating to exempting certain private nonprofit educational
institutions from state regulation applicable to degree-granting
institutions.

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

SECTION 1. Subchapter G, Chapter 61, Education Code, is
amended by adding Section 61.3031 to read as follows:

Sec. 61.3031. EXEMPTION FOR CERTAIN PRIVATE NONPROFIT
EDUCATIONAL INSTITUTIONS. (a) The provisions of this subchapter
do not apply to a private educational institution, including a
separate degree-granting program, unit, or school operated by the
institution, that:

(1) does not accept state funding of any kind to
support its educational programs;

(2) does not accept state-administered federal
funding to support its educational programs;

(3) was formed as or is affiliated with or controlled
by a nonprofit corporation or nonprofit unincorporated
organization; and

(4) offers bona fide degree programs that require
students to complete substantive course work in order to receive a
degree from the institution.

(b) On the written request of a person acting on behalf of an
institution that claims to be exempt from this subchapter as
provided by this section, the board may issue a letter certifying a
determination by the board that the institution is not subject to
regulation under this subchapter.

SECTION 2. This Act takes effect immediately if it receives
a vote of two-thirds of all the members elected to each house, as
provided by Section 39, Article III, Texas Constitution. If this
Act does not receive the vote necessary for immediate effect, this
Act takes effect September 1, 2009.