

By: Shapiro

S.B. No. 1534

A BILL TO BE ENTITLED

AN ACT

relating to the operation and certification of career schools or colleges.

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

SECTION 1. Subdivisions (1) and (4), Section 132.001, Education Code, are amended to read as follows:

(1) "Career school or college":

(A) means any business enterprise operated for a profit or on a nonprofit basis that maintains a physical place of business within this state or solicits business within this state, that is not specifically exempted by this chapter, and:

(i) ~~[(A)]~~ that offers or maintains a course or courses of instruction or study; or

(ii) ~~[(B)]~~ at which place of business such a course or courses of instruction or study are available through classroom instruction or by distance education, or both, to a person for the purpose of training or preparing the person for a field of endeavor in a business, trade, technical, or industrial occupation, or for avocational or personal improvement; and

(B) does not include a school or educational institution that:

(i) is physically located in another state;

(ii) is legally authorized by the state of its physical location to offer postsecondary education and award

1 degrees;

2 (iii) is accredited by a national
3 accrediting organization recognized by the United States secretary
4 of education under the Higher Education Act of 1965 (20 U.S.C.
5 Section 1001 et seq.); and

6 (iv) offers in this state only
7 postsecondary distance or correspondence programs of instruction.

8 (4) "Representative" means a person employed by a
9 career school or college [~~, whether the school or college is located~~
10 ~~within or without this state,~~] to act as an agent, solicitor,
11 broker, or independent contractor to directly procure students for
12 the school or college by solicitation within [~~or without~~] this
13 state at any place.

14 SECTION 2. Sections 132.052 and 132.151, Education Code,
15 are amended to read as follows:

16 Sec. 132.052. APPLICATION FOR CERTIFICATE OF APPROVAL.
17 Every career school or college desiring to operate in this state [~~or~~
18 ~~do business in this state~~] shall make written application to the
19 commission for a certificate of approval. Such application shall
20 be verified, be in such form as may be prescribed by the commission,
21 and shall furnish the commission such information as the commission
22 may require.

23 Sec. 132.151. PROHIBITIONS. A person may not:

24 (1) operate a career school or college without a
25 certificate of approval issued by the commission;

26 (2) solicit prospective students for or on behalf of a
27 career school or college without being registered as a

1 representative of the career school or college as required by this
2 chapter;

3 (3) accept contracts or enrollment applications for or
4 on behalf of a career school or college from a representative who is
5 not bonded as required by this chapter;

6 (4) utilize advertising designed to mislead or deceive
7 prospective students;

8 (5) fail to notify the commission of the closure
9 [~~discontinuance of the operation~~] of any career school or college
10 within 72 hours of cessation of classes and make available accurate
11 records as required by this chapter;

12 (6) negotiate any promissory instrument received as
13 payment of tuition or other charge by a career school or college
14 prior to completion of 75 percent of the applicable program,
15 provided that prior to such time, the instrument may be transferred
16 by assignment to a purchaser who shall be subject to all the
17 defenses available against the career school or college named as
18 payee; or

19 (7) violate any provision of this chapter.

20 SECTION 3. Subchapter G, Chapter 132, Education Code, is
21 amended by adding Section 132.202 to read as follows:

22 Sec. 132.202. REGISTRATION FEES FOR CERTAIN SCHOOLS OR
23 EDUCATIONAL INSTITUTIONS NOT OPERATING IN THIS STATE. (a) A
24 school or educational institution described by Section
25 132.001(1)(B) shall register with the commission before enrolling
26 any student who, at the time of enrollment, is a resident of this
27 state for purposes of Subchapter B, Chapter 54.

1 (b) The school or educational institution must pay to the
2 commission an annual registration fee in an amount to be determined
3 by the commission.

4 (c) The commission may adopt rules to implement this
5 section.

6 SECTION 4. Subsection (d), Section 132.059, Education Code,
7 is repealed.

8 SECTION 5. The changes in law made by this Act apply only to
9 a certificate of approval issued, an action filed, or other
10 proceeding commenced under Chapter 132, Education Code, on or after
11 the effective date of this Act. A certificate of approval issued,
12 an action filed, or other proceeding commenced before the effective
13 date of this Act is covered by the law in effect at the time the
14 certificate of approval was issued, the action was filed, or other
15 proceeding was commenced, and the former law is continued in effect
16 for that purpose.

17 SECTION 6. This Act takes effect September 1, 2011.