

CHAPTER 595

H.B. No. 982

AN ACT

relating to the uses of the student deposit fund of public institutions of higher education.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 54.5021, Education Code, is amended to read as follows:

Sec. 54.5021. STUDENT DEPOSIT FUND; COMPOSITION AND USES. (a) The student deposit fund consists of the income from the investment or time deposits of general property deposits and of forfeited general property deposits. Any general property deposit which remains without call for refund for a period of four years from the date of last attendance of the student making the deposit shall be forfeited and become a part of the student deposit fund. Nothing in this section shall be construed to prohibit refund of any balance remaining in a general property deposit when made on proper demand and within the four-year limitation period. The *governing board of the institution* may require that no student withdraw his deposit until he has been graduated or has apparently withdrawn from school.

(b) The student deposit fund shall be used, at the discretion of the *governing board*, for ~~[any of the following purposes:] making scholarship awards to needy and deserving students, the support of a general student union program, or for the establishment of an institutional loan program for students. Loans made under this subsection shall bear a nominal interest rate, be secured by a promissory note from the student to the loan fund, require no collateral, and be of a duration not more than 12 months. A student obtaining a loan under this subsection may have no more than two such loans outstanding at any time~~. The *governing board* shall administer the scholarship awards for the institution, including the selection of

recipients and the amounts and conditions of the awards. The recipients of the scholarships must be residents of the state as defined for tuition purposes. ~~[Any use of the funds for the support of student union programs shall be approved as to amount and purpose by the board. The student deposit funds for The University of Texas at Austin, Texas A & M University, and Texas Tech University shall be available for scholarship purposes only. Direct expenses for the administration of the funds shall be paid from the funds.]~~

(c) Not later than August 31 of each fiscal year, each institution of higher education that has an unobligated and unexpended balance in its student deposit fund that exceeds 150 percent of the total deposits to that fund during that year shall remit to the Texas Higher Education Coordinating Board the amount of that excess. The coordinating board shall allocate on an equitable basis amounts received under this subsection to institutions of higher education that do not have an excess described by this subsection for deposit in their student deposit fund. The amount allocated under this subsection may be used only for making scholarship awards to needy and deserving students under this section.

SECTION 2. This Act takes effect September 1, 1993.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 12, 1993, by a non-record vote; passed by the Senate on May 30, 1993, by a viva-voce vote.

Approved June 13, 1993.

Effective Sept. 1, 1993.