

CHAPTER 15

S.B. No. 336

AN ACT

relating to prohibiting certain extensions of credit by retail stores owned or operated by public institutions of higher education.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.929 to read as follows:

*Sec. 51.929. PROHIBITION AGAINST CERTAIN EXTENSIONS OF CREDIT BY CERTAIN RETAIL STORES. (a) Except as provided by Subsection (b) of this section, a retail store that is owned or operated by an institution of higher education may not enter into a transaction for the sale or lease of goods or services in which the institution extends the credit of the state to the obligor.*

*(b) This section does not apply to an extension of credit to a student for the purchase of books or other educational supplies if the credit may be offset against undistributed grant or loan funds that are held by the institution for the student or that the institution is entitled to receive on behalf of the student. The institution may not withhold grant or loan funds to require the student to purchase books or educational supplies from a store that it owns or operates.*

*(c) In this section, "institution of higher education" has the meaning assigned by Section 61.003 of this code.*

SECTION 2. This Act takes effect September 1, 1993, and applies only to sales or leases that are made on or after that date.

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 the Senate on February 25, 1993, by a viva-voce vote; passed the House on March 17, 1993, by a non-record vote.

Approved March 29, 1993.

Effective Sept. 1, 1993.