

EDUCATION CODE
CHAPTER 54. TUITION AND FEES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 54.001. DEFINITIONS. In this chapter:

(1) "Institution of higher education" has the same meaning as is assigned to it by Section 61.003 of this code.

(2) "Governing board" has the same meaning as is assigned to it by Section 61.003 of this code.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.0015. ADOPTION OF CERTAIN DEFINITIONS BY RULE. In consultation with representatives of institutions of higher education, the Texas Higher Education Coordinating Board by rule shall adopt definitions related to the resident status of students for purposes of this title and to tuition and fee exemptions and waivers for students under this chapter as necessary to ensure consistency in the application of this chapter and other related state laws and policies.

Added by Acts 2005, 79th Leg., ch. 888, Sec. 1, eff. Sept. 1, 2005.

Sec. 54.002. APPLICABILITY OF CHAPTER. The provisions of this chapter apply to all institutions of higher education, except that as to junior colleges this chapter applies only to the extent provided by Section 130.003(b) of this code.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.003. TUITION AND CHARGES TO BE AUTHORIZED BY LAW. No institution of higher education may collect from students attending the institution any tuition, fee, or charge of any kind except as permitted by law, and no student may be refused admission to or discharged from any institution for the nonpayment of any tuition, fee, or charge except as permitted by law.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.004. RETENTION AND USE OF FUNDS. All tuition, local funds, and fees collected by an institution of higher education shall be retained and expended by the institution and accounted for annually as provided in the general appropriations act.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.005. RIGHT TO COLLECT SPECIAL FEES. The provisions of this subchapter requiring the governing board of each institution of higher education to collect tuition fees do not deprive the board of the right to collect special fees authorized by law.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.006. REFUND OF TUITION AND FEES. (a) A general academic teaching institution or medical and dental unit, as soon as practicable, shall refund the amount of fees and tuition in excess of the minimum tuition collected for courses from which students drop within the first 12 days of a fall or spring semester or within the first four days of a summer term. The institution or medical and dental unit may not delay a refund under this subsection on the grounds that the student may withdraw from the institution or unit later in the semester or term. An institution may assess a nonrefundable \$15 matriculation fee if the student withdraws from the institution before the first day of classes.

(b) A general academic teaching institution or medical and dental unit shall refund to a student withdrawing from the institution or unit an amount equal to the product of the amount of tuition and mandatory fees collected for each course in which the student is enrolled on the date the student withdraws multiplied by the applicable percentage derived from the following tables:

(1) if the student withdraws during a fall or spring semester or comparable trimester:

(A)	prior to the first class day	100 percent
(B)	during the first five class days	80 percent
(C)	during the second five class days	70 percent
(D)	during the third five class days	50 percent
(E)	during the fourth five class days	25 percent
(F)	after the fourth five class days	None; and

(2) if the student withdraws during a summer term:

(A)	prior to the first class day	100 percent
(B)	during the first, second, or third class day	80 percent

(C) during the fourth, fifth, or sixth class day
50 percent

(D) seventh day of class and thereafter None.

(c) Separate withdrawal refund schedules may be established for optional fees such as intercollegiate athletics, cultural entertainment, parking, and yearbooks.

(d) A general academic teaching institution or medical and dental unit shall refund tuition and fees paid by a sponsor, donor, or scholarship to the source rather than directly to the student who has withdrawn if the funds were made available through the institution.

(e) A general academic teaching institution or medical and dental unit shall terminate student services and privileges, such as health services, library privileges, facilities usage, and athletic and cultural entertainment tickets, when a student withdraws from the institution.

(f) Beginning with the summer semester of 1990, if a student withdraws from an institution of higher education because the student is called to active military service, the institution, at the student's option, shall:

(1) refund the tuition and fees paid by the student for the semester in which the student withdraws;

(2) grant a student, who is eligible under the institution's guidelines, an incomplete grade in all courses by designating "withdrawn-military" on the student's transcript; or

(3) as determined by the instructor, assign an appropriate final grade or credit to a student who has satisfactorily completed a substantial amount of coursework and who has demonstrated sufficient mastery of the course material.

(g) A general academic teaching institution or medical and dental unit may not collect any amount of fees or tuition in excess of the minimum tuition for a course at the institution or unit from a student who is entitled to a refund of that amount under this section if the student has not paid that amount on the date the student drops the course or withdraws from the institution or unit. Added by Acts 1977, 65th Leg., p. 220, ch. 106, Sec. 1, eff. Aug. 29, 1977. Amended by Acts 1987, 70th Leg., ch. 901, Sec. 1, eff. Aug. 31, 1987; Acts 1991, 72nd Leg., ch. 15, Sec. 1, eff. April 5, 1991; Acts 1993, 73rd Leg., ch. 253, Sec. 1, eff. Aug. 30, 1993.

Sec. 54.0065. TUITION REBATE FOR CERTAIN UNDERGRADUATES. (a) A qualified student is eligible for a rebate of a portion of the undergraduate tuition the student has paid if the student:

(1) is awarded a baccalaureate degree from a general academic teaching institution within the period prescribed by Section 56.462(1)(A) or (B), as applicable, to qualify for forgiveness of a Texas B-On-time loan; and

(2) has attempted no more than three hours in excess of the minimum number of semester credit hours required to complete the degree, including:

(A) transfer credits; and

(B) course credit earned exclusively by examination, except that, for purposes of this subsection, only the number of semester credit hours earned exclusively by examination in excess of nine semester credit hours is treated as hours attempted.

(b) The amount of tuition to be rebated to a student under this section is \$1,000, unless the total amount of undergraduate tuition paid by the student to the institution of higher education awarding the degree was less than \$1,000, in which event the amount of tuition to be rebated is an amount equal to the amount of undergraduate tuition paid by the student to the institution. However, a student who paid the institution awarding the degree an amount of undergraduate tuition less than \$1,000 may qualify for an increase in the amount of the rebate, not to exceed a total rebate of \$1,000, for any amount of undergraduate tuition the student paid to other institutions of higher education by providing the institution with proof of the total amount of that tuition paid to other institutions of higher education.

(c) A student who has transferred from another institution of higher education shall provide the institution awarding the degree an official transcript from each institution attended by the student in order that the period during which the student has been enrolled in a general academic teaching institution and the total number of hours attempted by the student can be verified.

(d) To qualify for a rebate under this section, the student must have been a resident of this state and entitled to pay tuition at the rate provided by this chapter for a resident student at all times while pursuing the degree.

(e) All institutions of higher education shall notify each first-time freshman student of the tuition rebate program.

(f) The institution awarding the degree shall pay the rebate under this section from local funds.

(g) If a student entitled to a rebate under this section has an outstanding student loan, including an emergency loan, owed or guaranteed by this state, including the Texas Guaranteed Student Loan Corporation, the institution shall apply the amount of the rebate to the student's loan. If a student has more than one outstanding loan, the institution shall apply the amount of the rebate to the loans as directed by the student or, if the student fails to provide timely instructions on the application of the amount, the institution shall apply the amount of the rebate to the loans according to priorities established by the coordinating board. If the amount of the rebate exceeds the amount of the loan indebtedness, the institution shall pay the student the excess amount.

(h) The legislature shall account in the General Appropriations Act for the rebates authorized by this section in a way that provides a corresponding increase in the general revenue funds appropriated to the institution. It is the intent of the legislature that rebates authorized by this section shall be financed by savings to the state resulting from reductions in the number of courses taken by undergraduate students.

(i) The coordinating board, in consultation with the institutions of higher education, shall adopt rules for the administration of this section, including a rule to allow an otherwise eligible student to receive a rebate under this section if the student is not awarded a baccalaureate degree within the period required by Subsection (a)(1) solely as a result of a hardship or other good cause. The performance of active duty military service by a student shall be recognized as "good cause" for purposes of this section.

Added by Acts 1997, 75th Leg., ch. 1073, Sec. 1.09, eff. Aug. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 611, Sec. 1, eff. June 20, 2003; Acts 2005, 79th Leg., ch. 292, Sec. 3, eff. June 17, 2005.

Sec. 54.007. OPTION TO PAY TUITION BY INSTALLMENT. (a) The governing board of each institution of higher education shall provide for the payment of tuition and fees during the fall and spring semesters through the following alternatives:

(1) full payment of tuition and fees in advance of the beginning of the semester; or

(2) one-half payment of tuition and fees in advance of the beginning of the semester, one-quarter payment prior to the start of the sixth class week, and the final one-quarter payment before the beginning of the eleventh class week.

(b) The governing board of each institution of higher education may permit the payment of tuition and fees during a summer term through the following alternatives:

(1) for a student enrolled for a summer term of 12 weeks or longer that is not covered by Subdivision (2), one-half payment of tuition and fees in advance of the beginning of the summer term, one-quarter payment before the beginning of the fifth class week, and the final one-quarter payment before the beginning of the ninth class week;

(2) for a student enrolled for a summer term of 16 weeks or longer, one-half payment of tuition and fees in advance of the beginning of the summer term, one-quarter payment before the beginning of the sixth class week, and the final one-quarter payment before the beginning of the 11th class week; and

(3) for a student enrolled for a summer term not covered by Subdivision (1) or (2) in a public junior college, public technical institute, or public state college, one-half payment of tuition and fees in advance of the beginning of the summer term and the remaining amount in one or two later payments to be made in the percentages and by the dates determined by the governing board of the college or institute, provided that the final payment must be made before the beginning of the last week of the summer term.

(c) The governing board may assess and collect incidental fees for students utilizing the payment alternative authorized by Subsection (a)(2) and the alternatives authorized by Subsection (b)

and for students delinquent in payments. The fees must reasonably reflect the cost to the institution of handling those payments.

(d) A student who fails to make full payment of tuition and fees, including any incidental fees, by the due date may be prohibited from registering for classes until full payment is made. A student who fails to make payment prior to the end of the semester may be denied credit for the work done that semester. The governing board may not impose on a student any sanction authorized by this subsection unless the governing board includes in any promissory note signed by a student the following statement printed in bold-faced type or in capital letters: "A STUDENT WHO FAILS TO MAKE FULL PAYMENT OF TUITION AND FEES, INCLUDING ANY INCIDENTAL FEES, BY THE DUE DATE MAY BE PROHIBITED FROM REGISTERING FOR CLASSES UNTIL FULL PAYMENT IS MADE. A STUDENT WHO FAILS TO MAKE PAYMENT PRIOR TO THE END OF THE SEMESTER MAY BE DENIED CREDIT FOR THE WORK DONE THAT SEMESTER." The governing board shall notify a student of any delinquent tuition or fee payment as soon as practicable. The institution's records may be adjusted to reflect the student's failure to have properly enrolled for that semester.

(e) In addition to other payment alternatives provided by this section, the governing board of a medical and dental unit or of a general academic teaching institution with a department or college of veterinary medicine may provide for the payment of tuition and fees at the unit or at the department or college of veterinary medicine during any academic year through a one-fourth payment of tuition and fees in advance of the beginning of the year and subsequent one-fourth payments of tuition and fees to be made at periods designated by the governing board. Subsection (b) of this section applies to tuition and fee payments under this subsection. In this subsection, "general academic teaching institution" and "medical and dental unit" have the meanings assigned by Section 61.003 of this code.

Text of subsec. (f) as added by Acts 2005, 79th Leg., ch. 536, Sec. 1

(f) In this section, "public junior college," "public technical institute," and "public state college" have the meanings assigned by Section 61.003.

Text of subsec. (f) as added by Acts 2005, 79th Leg., ch. 888, Sec. 5

(f) The governing board shall require a student who elects to pay tuition and fees by installment under this section to enter into a written agreement reflecting the terms and conditions required by this section.

Text of subsec. (f) as added by Acts 2005, 79th Leg., ch. 1181, Sec.

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(f) A student may elect to pay the tuition and fees of an institution of higher education by installment under this section regardless of whether the student intends to apply a financial aid award administered by the institution toward the tuition and fees, except that a student whose financial aid award or awards are available to cover the total amount of tuition and fees may not pay by installment under this section. On receipt of notice of a student's election to pay tuition and fees by installment, the governing board of the institution shall apply any financial aid award administered for the student toward the amount of tuition and fees due for that semester or summer session until the tuition and fees are paid in full and shall immediately release any remaining amount of the award to the student, except that the institution is not required to apply the award or awards toward the total amount of tuition and fees in exigent circumstances as determined by the institution.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 10, eff. Aug. 26, 1985. Amended by Acts 1989, 71st Leg., ch. 805, Sec. 1, eff. Aug. 28, 1989; Acts 1990, 71st Leg., 6th C.S., ch. 14, Sec. 1, eff. June 14, 1990; Acts 1997, 75th Leg., ch. 1115, Sec. 1, eff. June 19, 1997; Acts 2001, 77th Leg., ch. 32, Sec. 1, eff. May 3, 2001; Acts 2005, 79th Leg., ch. 536, Sec. 1, eff. June 17, 2005; Acts 2005, 79th Leg., ch. 888, Sec. 5, eff. Sept. 1, 2005; Acts 2005, 79th Leg., ch. 1181, Sec. 10, eff. Sept. 1, 2005.

Sec. 54.0071. AUTHORITY OF INSTITUTION TO PROVIDE PAYMENT OPTIONS FOR STUDENT WITH DELAYED FINANCIAL AID. (a) The governing board of an institution of higher education may postpone the due date for the payment of all or part of the tuition and fees for a student for a semester or summer session in which the student will receive one or more delayed financial aid awards if:

(1) the student has not received the awards by the regular due date for payment of the tuition and fees; and

(2) the student agrees to assign to the institution a portion of the awards equal to the amount of tuition and fees for which the due date is postponed.

(b) A postponed due date under Subsection (a) applies only to the portion of tuition and fees to be covered by the student's delayed financial aid awards. When the financial aid awards become available, a governing board that postpones a due date under this section shall apply the awards toward the amount of tuition and fees due and immediately release any remaining amount of the awards to the student.

(c) If after the due date for a student's tuition and fees is postponed under this section the student becomes ineligible to receive one or more of the delayed financial aid awards, or the amount awarded is less than the amount of tuition and fees due, the governing board shall provide the student a reasonable period, not to exceed 30 days, to pay the unpaid amount of tuition and fees. The board may deny a student credit for work done in the semester or summer session if the student fails to pay the tuition and fees by the end of that period.

(d) The Texas Higher Education Coordinating Board shall prescribe procedures for the administration of this section.

(e) If a student with delayed financial aid awards has elected to pay tuition and fees by installment as permitted by Section 54.007 and if the governing board elects to postpone the due date for the student's tuition and fees as authorized by this section, the governing board in the manner provided by this section shall postpone the due date for each installment payment that becomes due before the student receives the awards.

Added by Acts 2005, 79th Leg., ch. 1181, Sec. 11, eff. Sept. 1, 2005.

Sec. 54.008. TUITION RATE SET BY GOVERNING BOARD. (a) The tuition rates provided by Subchapter B of this chapter are minimum rates. Except as provided by Subsections (e), (f), and (g), the governing board of each institution of higher education shall set tuition for graduate programs for that institution at a rate that is at least equal to that prescribed by Subchapter B, but that is not more than twice the rate prescribed by Subchapter B. Between the maximum and minimum rates, the board may set the differential tuition among programs offered by an institution of higher education.

(b) The governing board of a university system is not required to set uniform tuition rates for graduate programs among the component institutions of the system.

(c) The limit on tuition rates provided by Subsection (a) of this section does not apply to tuition at a public junior college.

(d) The difference between the minimum rate prescribed by Subchapter B of this chapter and that set by the governing board of an institution of higher education for an institution shall not be accounted for in an appropriations act in such a way as to reduce the general revenue appropriations to that institution.

(e) The governing board of an institution of higher education shall set tuition for an optometry program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B of this chapter but not more than four times the rate prescribed by Subchapter B of this chapter.

(f) The governing board of an institution of higher education shall set tuition for an undergraduate pharmacy program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than twice the rate prescribed by Subchapter B. The governing board of an institution of higher education shall set tuition for a graduate or professional pharmacy program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than three times the rate prescribed by Subchapter B.

(g) The governing board of an institution of higher education shall set tuition for a law school at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than three times the rate prescribed by Subchapter B.

Added by Acts 1987, 70th Leg., ch. 823, Sec. 1.10, eff. June 20, 1987. Amended by Acts 1995, 74th Leg., ch. 451, Sec. 1, eff. Aug. 28, 1995; Acts 1999, 76th Leg., ch. 89, Sec. 1, eff. May 14, 1999; Acts 2001, 77th Leg., ch. 655, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 773, Sec. 1, eff. June 13, 2001.

Sec. 54.009. INCREASE IN TUITION RATE OR FEES. An institution of higher education that sets the tuition rates and

fees for a semester or summer term and permits a student to register for that semester or summer term may not increase the tuition rate or fees charged that student for that semester or summer term after the student registers regardless of whether that student has paid the tuition and fees for that semester or summer term.

Added by Acts 1997, 75th Leg., ch. 711, Sec. 1, eff. Sept. 1, 1997.

Sec. 54.010. REDUCTION IN TUITION. (a) The governing board of an institution of higher education may reduce the amount of tuition charged to a student under this chapter to an amount less than the amount otherwise required by this chapter if the board:

(1) offers the tuition reduction to the student as part of an institutional policy adopted by the board to:

(A) increase the average semester credit hour course load of students enrolled at the institution; or

(B) improve the retention and graduation rate of students enrolled at the institution; and

(2) determines that the student is:

(A) enrolled in, and making satisfactory progress toward completion of, a degree program offered at the institution; and

(B) enrolled in at least 15 semester credit hours at the institution during the semester or term for which the reduction is offered.

(b) The governing board may offer a tuition reduction under this section in a fixed dollar amount, a percentage amount, or any other manner that the board considers appropriate.

(c) The amount of tuition reduction offered to a student under this section for a semester or term may not exceed the amount of tuition that would have been charged to the student under this chapter for enrollment in three semester credit hours during that semester or term.

(d) For a tuition reduction offered to a student under this section, the governing board may prorate the amount of the reduction based on:

(1) the number of semester credit hours in which the student is enrolled; or

(2) the length of the semester or term for which the student is enrolled.

(e) The governing board is not required to offer a tuition reduction under this section to all institutions of higher education under its governance or to all degree programs offered at an institution of higher education under its governance.

Added by Acts 1999, 76th Leg., ch. 1053, Sec. 1, eff. June 18, 1999.

Sec. 54.011. TUITION LIMIT IN CASES OF CONCURRENT ENROLLMENT. When a student registers at more than one public institution of higher education at the same time, his tuition charges shall be determined in the following manner:

(1) The student shall pay the full tuition charge to the first institution at which he is registered; and in any event he shall pay an amount at least equal to the minimum tuition specified in this code.

(2) If the minimum tuition specified in this code for the first institution at which the student is registered is equal to or greater than the minimum tuition specified in this code for the second institution at which the student is registered concurrently, the student shall not be required to pay the specified minimum tuition charge to the second institution in addition to the tuition charge paid to the first institution, but shall pay only the hourly rates, as provided in this code, to the second institution.

(3) If the minimum tuition specified in this code for the first institution at which the student is registered is less than the specified minimum tuition charge at the second institution (that is, if the second institution has a higher minimum tuition charge specified in this code), then the student shall first register at the institution having the lower minimum tuition and shall pay to the second institution only the amount equal to the difference between his total tuition charge at the second institution and his total tuition charge at the first institution, but in no case shall the student pay to the second institution less than the hourly rates as provided in this code.

(4) If a student is considered to be a Texas resident and therefore qualified to pay Texas resident tuition rates by one institution at which he is registered, that student shall be considered a Texas resident at each of the institutions at which he is concurrently registered for the purposes of determining the

proper tuition charges. Nothing in this subdivision shall be so construed as to allow a nonresident to pay resident tuition except at institutions covered by Section 54.060 of this code.

Added by Acts 1977, 65th Leg., p. 21, ch. 7, Sec. 1, eff. March 3, 1977. Renumbered from V.T.C.A., Education Code Sec. 54.062 by Acts 2005, 79th Leg., ch. 888, Sec. 8, eff. Sept. 1, 2005.

Sec. 54.012. TUITION RATES FOR CERTAIN DOCTORAL STUDENTS. The governing board of an institution of higher education may charge a resident doctoral student who has more semester credit hours of doctoral work than allowed for purposes of state funding for the current state fiscal biennium under Section 61.059(1) tuition at the rate charged nonresident doctoral students. Tuition charged at the rate provided by this section shall be accounted for as if collected under Section 54.008.

Added by Acts 1993, 73rd Leg., ch. 27, Sec. 5, eff. April 13, 1993. Amended by Acts 1997, 75th Leg., ch. 690, Sec. 1, eff. Sept. 1, 1997. Renumbered from V.T.C.A., Education Code Sec. 54.066 by Acts 2005, 79th Leg., ch. 888, Sec. 8, eff. Sept. 1, 2005.

Sec. 54.013. STUDENTS 55 YEARS OF AGE OR OLDER. (a) An institution of higher education may charge a student 55 years of age or older tuition and fees at rates that are lower than the rates otherwise provided by this chapter, under the condition that a student under 55 years of age will not be precluded from enrolling in a course for credit toward a degree or certificate. The institution may set additional qualifications that a student must meet to qualify for tuition and fees at rates set under this section and may set different rates for different programs, campuses, or courses. The institution may set rates under this section for resident students, nonresident students, or both, and may set different rates for resident students and nonresident students.

(b) A tuition or fee rate set under this section must apply uniformly to each student that meets the applicable qualifications set by the institution to pay tuition or fees at that rate.

(c) The legislature in an appropriations act shall account for the rates authorized by Subsection (a) in a way that does not increase the general revenue appropriations to that institution.

Added by Acts 1995, 74th Leg., ch. 362, Sec. 2, eff. June 8, 1995. Renumbered from V.T.C.A., Education Code Sec. 54.067 by Acts 2005, 79th Leg., ch. 888, Sec. 8, eff. Sept. 1, 2005.

Sec. 54.014. TUITION FOR REPEATED OR EXCESSIVE UNDERGRADUATE HOURS. (a) An institution of higher education may charge a resident undergraduate student tuition at a higher rate than the rate charged to other resident undergraduate students, not to exceed the rate charged to nonresident undergraduate students, if before the semester or other academic session begins the student has previously attempted a number of semester credit hours for courses taken at any institution of higher education while classified as a resident student for tuition purposes that exceeds by at least 30 hours the number of semester credit hours required for completion of the degree program in which the student is enrolled. For purposes of this subsection, an undergraduate student who is not enrolled in a degree program is considered to be enrolled in a degree program or programs requiring a minimum of 120 semester credit hours, including minors and double majors, and for completion of any certificate or other special program in which the student is also enrolled, including a program with a study-abroad component. An institution of higher education that charges students tuition at a higher rate under this subsection may adopt a policy under which the institution exempts from the payment of that higher rate a student that is subject to the payment of the higher rate solely as a result of hardship as determined by the institution under the policy.

(b) Semester credit hours or other credit listed in Section 61.0595(d) is not counted in determining the number of semester credit hours previously attempted by a student for purposes of Subsection (a).

(c) Subsection (a) applies only to the tuition charged to a student who initially enrolled as an undergraduate student in an institution of higher education during or after the 1999 fall semester, except that the institution of higher education may not require a student who initially enrolls as an undergraduate student in an institution of higher education before the 2006 fall semester to pay higher tuition as permitted by Subsection (a) until the number of semester credit hours previously attempted by the student as described by that subsection exceeds the number of semester

credit hours required for the student's degree program by at least 45 hours.

(d) In its appropriations to institutions of higher education, the legislature shall compute the local funds available to each institution as if the tuition collected under Subsections (a) and (f) were not collected.

(e) Each institution of higher education shall inform each new undergraduate student enrolling at the institution in writing of the limitation provided by this section on the number of hours or type of courses that a Texas resident is entitled to complete while paying tuition at the rate provided for Texas residents.

(f) An institution of higher education may charge a resident undergraduate student tuition at a higher rate than the rate charged to other resident undergraduate students, not to exceed the rate charged to nonresident undergraduate students, for any course in which the student enrolls that is the same as or substantively identical to a course for which the student previously completed. The Texas Higher Education Coordinating Board shall adopt a rule that exempts a resident undergraduate student from this subsection if the student enrolls in a course that is the same as or substantially similar to a course that the student previously completed, solely as a result of a hardship or other good cause.

Added by Acts 1997, 75th Leg., ch. 1073, Sec. 1.08, eff. Aug. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 6, Sec. 2, eff. April 8, 1999. Renumbered from V.T.C.A., Education Code Sec. 54.068 by Acts 2005, 79th Leg., ch. 888, Sec. 8, eff. Sept. 1, 2005. Amended by Acts 2005, 79th Leg., ch. 1230, Sec. 3, eff. June 18, 2005.

Sec. 54.015. BILLING AND NOTIFICATION FOR TUITION. For billing and catalogue purposes, each governing board shall accumulate all the tuition that it charges under this chapter into one tuition charge.

Added by Acts 2001, 77th Leg., ch. 655, Sec. 5, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Education Code Sec. 54.069 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(32), eff. Sept. 1, 2003. Renumbered from V.T.C.A., Education Code Sec. 54.071 and amended by Acts 2005, 79th Leg., ch. 888, Sec. 8, eff. Sept. 1, 2005.

SUBCHAPTER B. TUITION RATES

Sec. 54.0501. DEFINITIONS. In this subchapter:

(1) "Census date" means the date in an academic term on which an institution of higher education is required to certify a student's enrollment to the coordinating board for purposes of determining formula funding for the institution.

(2) "Dependent" means a person who:

(A) is less than 18 years of age and has not been emancipated by marriage or court order; or

(B) as provided by coordinating board rule, is eligible to be claimed as a dependent of a parent of the person for purposes of determining the parent's income tax liability under the Internal Revenue Code of 1986.

(3) "Domicile" means a person's principal, permanent residence to which the person intends to return after any temporary absence.

(4) "Nonresident tuition" means the amount of tuition paid by a person who is not a resident of this state and who is not entitled or permitted to pay resident tuition under this subchapter.

(5) "Parent" means a natural or adoptive parent, managing or possessory conservator, or legal guardian of a person.

(6) "Residence" means a person's home or other dwelling place.

(7) "Resident tuition" means the amount of tuition paid by a person who is a resident of this state.

Added by Acts 2005, 79th Leg., ch. 888, Sec. 2, eff. Sept. 1, 2005.

Sec. 54.051. TUITION RATES. (a) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "General academic teaching institution" has the meaning assigned by Section 61.003(3) of this code.

(3) "Medical and dental unit" has the meaning assigned by Section 61.003 of this code.

(4) "Public junior college" has the meaning assigned by Section 61.003(2) of this code.

(b) The governing board of each institution of higher education and of the Texas State Technical College System shall cause to be collected from students registering at the institution

tuition or registration fees at the rates prescribed in this section.

(c) Unless a different rate is specified by this section, tuition for a resident student at a general academic teaching institution is \$50 per semester credit hour.

(d) Unless a different rate is specified by this section, tuition for a nonresident student at a general academic teaching institution or medical and dental unit is an amount per semester credit hour equal to the average of the nonresident undergraduate tuition charged to a resident of this state at a public state university in each of the five most populous states other than this state, as computed by the coordinating board under this subsection. The coordinating board shall set the tuition rate provided by this subsection for each academic year and report that rate to each appropriate institution not later than January 1 of the calendar year in which the academic year begins, or as soon after that January 1 as practicable. In computing the tuition rate, the coordinating board shall use the nonresident tuition rates for the other states in effect for the academic year in progress when the board makes the computation.

(e) Tuition for a resident student registered only for thesis or dissertation credit that is the final credit hour requirement for the degree in progress is determined by the governing board of the institution in which the student is enrolled.

(f) Tuition for a resident student enrolled in a program leading to an M.D. or D.O. degree is \$6,550 per academic year. Tuition for a nonresident student enrolled in a program leading to an M.D. or D.O. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. or D.O. degree would pay during the corresponding academic year.

(g) Tuition for a resident student enrolled in a program leading to a D.D.S. degree is \$5,400 per academic year. Tuition for a nonresident student enrolled in program leading to a D.D.S. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to a D.D.S. degree would pay during the corresponding academic year.

(h) Tuition for a resident student enrolled in a program leading to a D.V.M. degree is \$5,400 per academic year. Tuition for a nonresident student enrolled in a program leading to a D.V.M. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to a D.V.M. degree would pay during the corresponding academic year.

(i) Tuition for a resident student registered at a law school is \$80 per semester credit hour. Tuition for a nonresident student registered at a law school is the amount that can be charged a nonresident graduate student under Subsection (d) and Section 54.008.

(j) Tuition for a student registered in a program leading to a degree in nursing or in an allied health profession is the same as for students with the same residency registered at a general academic teaching institution.

(k) Tuition for a resident student registered at the Texas State Technical College System is the greater of \$50 or an amount set by the governing board of the system at not less than \$16 per semester credit hour. Tuition for a nonresident student registered at the Texas State Technical College System is an amount set by the governing board of the system at not less than \$80 per semester credit hour.

(l) Resident students or nonresident students registered for a course or courses in art, architecture, drama, speech, or music, where individual coaching or instruction is the usual method of instruction, shall pay a fee, in addition to the regular tuition, set by the governing board of the institution.

(m) Unless the student establishes residency or is entitled or permitted to pay resident tuition as provided by this subchapter, tuition for a student who is a citizen of any country other than the United States of America is the same as the tuition required of other nonresident students.

(n) Tuition for a resident student registered in a public junior college is determined by the governing board of each institution, but the tuition may not be less than \$8 for each semester credit hour and may not total less than \$25 for a semester. Tuition for a nonresident student is determined by the governing

board of each institution but the tuition may not be less than \$200 for each semester.

(o) Renumbered as V.T.C.A., Education Code Sec. 54.063 and amended by Acts 1985, 69th Leg., ch. 708, Sec. 8, eff. Aug. 26, 1985.

(p) Renumbered as V.T.C.A., Education Code Sec. 54.064 and amended by Acts 1985, 69th Leg., ch. 708, Sec. 9, eff. Aug. 26, 1985.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1971, 62nd Leg., p. 3352, ch. 1024, art. 2, Sec. 29, eff. Sept. 1, 1971; Acts 1973, 63rd Leg., p. 88, ch. 51, Sec. 8, eff. Aug. 27, 1973; Acts 1975, 64th Leg., p. 1358, ch. 515, Sec. 1, 2, eff. June 19, 1975; Acts 1975, 64th Leg., p. 2326, ch. 720, Sec. 2, eff. Sept. 1, 1975; Acts 1979, 66th Leg., p. 1382, ch. 617, Sec. 1, eff. Aug. 27, 1979; Acts 1984, 68th Leg., 2nd C.S., ch. 31, art. 10, Sec. 1; Acts 1985, 69th Leg., ch. 708, Sec. 1, 8, 9, eff. Aug. 26, 1985; Acts 1991, 72nd Leg., ch. 287, Sec. 26, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 1st C.S., ch. 5, Sec. 6.01, eff. Sept. 1, 1992; Acts 1995, 74th Leg., ch. 451, Sec. 2, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 1073, Sec. 1.02, eff. Aug. 1, 1997; Acts 2001, 77th Leg., ch. 655, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1392, Sec. 1, eff. June 16, 2001; Acts 2005, 79th Leg., ch. 888, Sec. 6, eff. Sept. 1, 2005.

Sec. 54.0512. INTERIM TUITION RATES.

Text of section effective until Jan. 1, 2008

(a) Notwithstanding Section 54.051, tuition for the applicable academic years described by this section is as provided by this section.

(b) Tuition for a resident student at a general academic teaching institution is:

(1) for the 2000-2001 academic year, \$40 per semester credit hour;

(2) for the 2001-2002 academic year, \$42 per semester credit hour;

(3) for the 2002-2003 academic year, \$44 per semester credit hour;

(4) for the 2003-2004 academic year, \$46 per semester credit hour;

(5) for the 2004-2005 academic year, \$48 per semester credit hour; and

(6) for the 2005-2006 academic year, \$50 per semester credit hour.

(c) Tuition for academic years not specifically covered by this section is at the rates provided by Section 54.051.

(d) This section expires January 1, 2008.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 3, eff. Aug. 26, 1985. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 5, Sec. 6.03, eff. Sept. 1, 1991; Acts 1995, 74th Leg., ch. 451, Sec. 3, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 655, Sec. 3, eff. Sept. 1, 2001.

Sec. 54.0513. DESIGNATED TUITION. (a) In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.

(b) A governing board may set a different tuition rate for each program and course level offered by each institution of higher education. A governing board may set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.

(c) Amounts collected by an institution of higher education under this section are institutional funds as defined by Section 51.009 of this code and shall be accounted for as designated funds. These funds shall not be accounted for in a general appropriations act in such a way as to reduce the general revenue appropriation to a particular institution.

(d) A governing board may waive all or part of the tuition charged to a student under this section if it finds that the payment of such tuition would cause an undue economic hardship on the student.

(e) Section 56.033 of this code requiring certain percentage amounts of tuition to be set aside for grants and scholarships does not apply to tuition collected under this

section.

(f) A governing board of an institution of higher education may continue to charge as tuition under this section the amount that it charged as the building use fee at that institution in the 1996-1997 academic year without holding a public hearing, but may not increase tuition under this section above that amount without holding a public hearing.

Added by Acts 1997, 75th Leg., ch. 1073, Sec. 1.01, eff. Aug. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 655, Sec. 4, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1321, Sec. 1, 2, eff. Sept. 1, 2003.

Sec. 54.0515. LEGISLATIVE OVERSIGHT COMMITTEE ON HIGHER EDUCATION. (a) In this section, "committee" means the legislative oversight committee on higher education.

(b) The legislative oversight committee on higher education is composed of 12 members as follows:

(1) six members of the senate appointed by the lieutenant governor; and

(2) six members of the house of representatives appointed by the speaker of the house of representatives.

(c) The lieutenant governor shall designate one of the committee members appointed by the lieutenant governor as committee co-chair and the speaker shall designate one of the committee members appointed by the speaker as committee co-chair.

(d) An appointed member of the committee serves at the pleasure of the appointing official. In making appointments to the committee, the appointing officials shall attempt to appoint persons who represent the gender composition, minority populations, and geographic regions of the state.

(e) It is the legislature's intent that each institution of higher education, as a condition to tuition deregulation under Section 54.0513, reasonably implement the following:

(1) each institution shall make satisfactory progress towards the goals provided in its master plan for higher education and in "Closing the Gaps," the state's master plan for higher education; and

(2) each institution shall meet acceptable performance criteria, including measures such as graduation rates, retention rates, enrollment growth, educational quality, efforts to enhance minority participation, opportunities for financial aid, and affordability.

(f) The committee shall:

(1) meet at the call of either chair;

(2) monitor and regularly report to the legislature on each institution of higher education's compliance with the requirements of Subsection (e); and

(3) receive and review information concerning the affordability and accessibility of higher education, including the impact of tuition deregulation.

(g) The committee may request reports and other information from institutions of higher education and the Texas Higher Education Coordinating Board as necessary to carry out this section.

(h) The committee shall make recommendations for any legislative action the committee considers necessary to meet the criteria provided by Subsection (e), and such other criteria as the legislature may establish, and to improve higher education affordability and access.

(i) This section does not create a cause of action.

Added by Acts 2003, 78th Leg., ch. 1321, Sec. 3, eff. Sept. 1, 2003.

Sec. 54.0516. SPECIAL SUMMER TUITION RATES AT TEXAS A&M UNIVERSITY: PILOT PROGRAM.

Text of section effective until January 1, 2008

(a) This section applies only to a resident undergraduate student enrolled for a summer term or session at Texas A&M University.

(b) Tuition, other than tuition under Section 54.0513, charged to a student to whom this section applies is three-fourths of the amount otherwise provided by this subchapter.

(c) The amount that the board of regents may charge as tuition under Section 54.0513 to a student to whom this section applies may not exceed the amount of other tuition the board is authorized to charge to the student under Subsection (b).

(d) This section applies only if the legislature specifically appropriates money to Texas A&M University for the

state fiscal biennium ending August 31, 2007, to cover the tuition revenue lost to the institution by the application of this section.

(e) This section applies only to a summer term or session in 2006 or 2007. This section expires January 1, 2008.

Added by Acts 2005, 79th Leg., ch. 1181, Sec. 12, eff. Sept. 1, 2005.

Sec. 54.052. DETERMINATION OF RESIDENT STATUS. (a) Subject to the other applicable provisions of this subchapter governing the determination of resident status, the following persons are considered residents of this state for purposes of this title:

(1) a person who:

(A) established a domicile in this state not later than one year before the census date of the academic term in which the person is enrolled in an institution of higher education; and

(B) maintained that domicile continuously for the year preceding that census date;

(2) a dependent whose parent:

(A) established a domicile in this state not later than one year before the census date of the academic term in which the dependent is enrolled in an institution of higher education; and

(B) maintained that domicile continuously for the year preceding that census date; and

(3) a person who:

(A) graduated from a public or private high school in this state or received the equivalent of a high school diploma in this state; and

(B) maintained a residence continuously in this state for:

(i) the three years preceding the date of graduation or receipt of the diploma equivalent, as applicable; and

(ii) the year preceding the census date of the academic term in which the person is enrolled in an institution of higher education.

(b) For purposes of this section, the domicile of a dependent's parent is presumed to be the domicile of the dependent unless the person establishes eligibility for resident status under Subsection (a)(3).

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.053. INFORMATION REQUIRED TO ESTABLISH RESIDENT STATUS. A person shall submit the following information to an institution of higher education to establish resident status under this subchapter:

(1) if the person applies for resident status under Section 54.052(a)(1):

(A) a statement of the dates and length of time the person has resided in this state, as relevant to establish resident status under this subchapter; and

(B) a statement by the person that the person's presence in this state for that period was for a purpose of establishing and maintaining a domicile;

(2) if the person applies for resident status under Section 54.052(a)(2):

(A) a statement of the dates and length of time any parent of the person has resided in this state, as relevant to establish resident status under this subchapter; and

(B) a statement by the parent or, if the parent is unable or unwilling to provide the statement, a statement by the person that the parent's presence in this state for that period was for a purpose of establishing and maintaining a domicile; or

(3) if the person applies for resident status under Section 54.052(a)(3):

(A) a statement of the dates and length of time the person has resided in this state, as relevant to establish resident status under this subchapter; and

(B) if the person is not a citizen or permanent resident of the United States, an affidavit stating that the person will apply to become a permanent resident of the United States as soon as the person becomes eligible to apply.

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.054. CONTINUING RESIDENT STATUS. (a) Except as

otherwise provided by Subsection (c) of this section or by Section 54.055 or 54.056, a person classified by an institution of higher education as a resident of this state under this subchapter is entitled, without submitting the information required by Section 54.053, to be classified as a resident by that institution in each subsequent academic term in which the person enrolls.

(b) Except as otherwise provided by Subsection (c) of this section or by Section 54.055 or 54.056, a person classified by an institution of higher education as a resident is entitled, without submitting the information required by Section 54.053 to the subsequent institution, to be classified as a resident by another institution of higher education in which the person subsequently enrolls.

(c) Subsections (a) and (b) do not apply to a person who enrolls in an institution of higher education after two or more consecutive regular semesters during which the person is not enrolled in an institution of higher education. To be classified as a resident on that enrollment, the person must submit the information required by Section 54.053 and satisfy all applicable requirements to establish resident status. If the person is classified as a resident on that enrollment, Subsections (a) and (b) apply to the person in a subsequent academic term.

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.055. RECLASSIFICATION BASED ON ADDITIONAL OR CHANGED INFORMATION. (a) On the basis of additional or changed information, an institution of higher education may reclassify as a resident or nonresident of this state under this subchapter a person who has previously been classified as a resident or nonresident under this subchapter.

(b) A reclassification does not apply to an academic term if the reclassification is made on or after the census date of that term.

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.056. ERRORS IN CLASSIFICATION. (a) If an institution of higher education erroneously classifies a person as a resident of this state and the person is not entitled or permitted to pay resident tuition under this subchapter, the institution of higher education shall charge nonresident tuition to the person beginning with the first academic term that begins after the date the institution discovers the error. Not earlier than the first day of that term, regardless of whether the person is still enrolled at the institution, the institution may request the person to pay the difference between resident and nonresident tuition for an earlier term as permitted by Section 54.057. For nonpayment of the amount owed, the institution may impose sanctions only as provided by that section. The institution may not require payment as a condition for any subsequent enrollment by the person in the institution.

(b) Regardless of the reason for the error, if an institution of higher education erroneously classifies a person as a nonresident of this state, the institution shall charge resident tuition to the person beginning with the academic term in which the institution discovers the error. The institution immediately shall refund to the person the amount of tuition the person paid in excess of resident tuition.

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.057. LIABILITY FOR UNPAID NONRESIDENT TUITION. (a) The following persons are liable for the difference between resident and nonresident tuition for each academic term in which the person pays resident tuition as the result of an erroneous classification under this subchapter:

(1) a person who, in a timely manner after the information becomes available or on request by the institution of higher education, fails to provide to the institution information that the person reasonably should know would be relevant to an accurate classification by the institution under this subchapter; or

(2) a person who provides false information to the institution that the person reasonably should know could lead to an erroneous classification by the institution under this subchapter.

(b) The person shall pay the applicable amount to the institution not later than the 30th day after the date the person is notified of the person's liability for the amount owed. After

receiving the notice and until the amount is paid in full, the person is not entitled to receive from the institution a certificate or diploma, if not yet awarded on the date of the notice, or official transcript that is based at least partially on or includes credit for courses taken while the person was erroneously classified as a resident of this state.

(c) A person who is erroneously classified as a resident of this state under this subchapter but who is entitled or permitted to pay resident tuition under this subchapter is not liable for the difference between resident and nonresident tuition under this section.

Amended by Acts 2005, 79th Leg., ch. 888, Sec. 3, eff. Sept. 1, 2005.

Sec. 54.058. MILITARY PERSONNEL AND DEPENDENTS. (a) Military personnel are classified as provided by this section.

(b) A person who is an officer, enlisted person, selectee, or draftee of the Army, Army Reserve, Army National Guard, Air National Guard, Air Force, Air Force Reserve, Navy, Navy Reserve, Marine Corps, Marine Corps Reserve, Coast Guard, or Coast Guard Reserve of the United States, who is assigned to duty in Texas, and the spouse and children of such an officer, enlisted person, selectee, or draftee, are entitled to register in a state institution of higher education by paying the tuition fee and other fees or charges required of Texas residents, without regard to the length of time the officer, enlisted person, selectee, or draftee has been assigned to duty or resided in the state. However, out-of-state Army National Guard or Air National Guard members attending training with Texas Army or Air National Guard units under National Guard Bureau regulations may not be exempted from nonresident tuition by virtue of that training status nor may out-of-state Army, Air Force, Navy, Marine Corps, or Coast Guard Reserves training with units in Texas under similar regulations be exempted from nonresident tuition by virtue of that training status. It is the intent of the legislature that only those members of the Army or Air National Guard or other reserve forces mentioned above be exempted from the nonresident tuition fee and other fees and charges only when they become members of Texas units of the military organizations mentioned above.

(c) The spouse or child of a member of the Armed Forces of the United States who has been assigned to duty elsewhere immediately following assignment to duty in Texas is entitled to pay the tuition fees and other fees or charges provided for Texas residents as long as the spouse or child resides continuously in Texas.

(d) A spouse or dependent child of a member of the Armed Forces of the United States, who is not assigned to duty in Texas but who has previously resided in Texas for a six-month period, is entitled to pay the tuition fees and other fees or charges provided for Texas residents for a term or semester at an institution of higher education if the member:

(1) at least one year preceding the first day of the term or semester executed a document with the applicable military service that is in effect on the first day of the term or semester and that:

(A) indicates that the member's permanent residence address is in Texas; and

(B) designates Texas as the member's place of legal residence for income tax purposes;

(2) has been registered to vote in Texas for the entire year preceding the first day of the term or semester; and

(3) satisfies at least one of the following requirements:

(A) for the entire year preceding the first day of the term or semester has owned real property in Texas and in that time has not been delinquent in the payment of any taxes on the property;

(B) has had an automobile registered in Texas for the entire year preceding the first day of the term or semester; or

(C) at least one year preceding the first day of the term or semester executed a will that has not been revoked or superseded indicating that the member is a resident of this state and deposited the will with the county clerk of the county of the member's residence under Section 71, Texas Probate Code.

(e) A Texas institution of higher education may charge to the United States government the nonresident tuition fee for a

veteran enrolled under the provisions of a federal law or regulation authorizing educational or training benefits for veterans.

(f) The spouse or child of a member of the Armed Forces of the United States who dies or is killed is entitled to pay the resident tuition fee if the spouse or child becomes a resident of Texas within 60 days of the date of death.

(g) If a member of the Armed Forces of the United States is stationed outside Texas and the member's spouse or child establishes residence in Texas by residing in Texas and by filing with the Texas institution of higher education at which the spouse or child plans to register a letter of intent to establish residence in Texas, the institution of higher education shall permit the spouse or child to pay the tuition, fees, and other charges provided for Texas residents without regard to length of time that the spouse or child has resided in Texas.

(h) The governing board of Midwestern State University may set the resident and nonresident tuition rates for United States military personnel enrolled in the bachelor of science or master of science degree program in radiological sciences at Midwestern State University at the rates the governing board considers appropriate, notwithstanding any other provision of this subchapter, and may exempt those military personnel from all or part of required fees and charges while enrolled in one of those programs. The total amount of tuition and required fees charged to a resident member of the armed forces under this subsection may not be less than the total amount of tuition and required fees charged to other resident students in the same program. United States military personnel enrolled in one of those programs by instructional telecommunication are entitled to pay tuition fees and other fees or charges provided by the board for United States military personnel residing in Texas if they began the program while stationed at a military base or other installation in Texas as a member of the United States Armed Forces. In this subsection, "instructional telecommunication" means instruction delivered primarily by telecommunication technology, including open-channel television, cable television, closed-circuit television, low power television, communication and/or direct broadcast satellite, satellite master antenna system, microwave, videotape, videodisc, computer software, computer networks, and telephone lines.

(i) A former member of the Armed Forces of the United States or the former member's spouse or dependent child is entitled to pay the tuition fees and other fees or charges provided for Texas residents for any term or semester at a state institution of higher education that begins before the first anniversary of the member's separation from the Armed Forces if the former member:

(1) has retired or been honorably discharged from the Armed Forces; and

(2) has complied with the requirements of Subsection (d).

(j) A member of the Armed Forces of the United States or the child or spouse of a member of the Armed Forces of the United States who is entitled to pay tuition and fees at the rate provided for Texas residents under another provision of this section while enrolled in a degree or certificate program is entitled to pay tuition and fees at the rate provided for Texas residents in any subsequent term or semester while the person is continuously enrolled in the same degree or certificate program. For purposes of this subsection, a person is not required to enroll in a summer term to remain continuously enrolled in a degree or certificate program. The person's eligibility to pay tuition and fees at the rate provided for Texas residents under this subsection does not terminate because the person is no longer a member of the Armed Forces of the United States or the child or spouse of a member of the Armed Forces of the United States.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1973, 63rd Leg., p. 1632, ch. 591, Sec. 1, eff. June 15, 1973; Acts 1985, 69th Leg., ch. 708, Sec. 6, eff. Aug. 26, 1985; Acts 1995, 74th Leg., ch. 103, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 5, Sec. 1, eff. April 17, 1997; Acts 1997, 75th Leg., ch. 1298, Sec. 1, eff. June 20, 1997; Acts 2001, 77th Leg., ch. 515, Sec. 1, eff. June 11, 2001; Acts 2003, 78th Leg., ch. 417, Sec. 1, eff. June 20, 2003.

Sec. 54.059. FACULTY AND DEPENDENTS. A teacher or professor of an institution of higher education, and the spouse and children

of such a teacher or professor, are entitled to register in an institution of higher education by paying the tuition fee and other fees or charges required for Texas residents without regard to the length of time the teacher or professor has resided in Texas. A teacher or professor of an institution of higher education and the teacher's or professor's family are entitled to the benefit of this section if the teacher or professor is employed at least one-half time on a regular monthly salary basis by an institution of higher education.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 708, Sec. 7, eff. Aug. 26, 1985.

Sec. 54.060. RESIDENT OF BORDERING STATE OR NATION OR PARTICIPANT IN STUDENT EXCHANGE PROGRAM: TUITION. (a) The nonresident tuition fee prescribed by this chapter does not apply to a nonresident student who is a resident of Arkansas, Louisiana, New Mexico, or Oklahoma and who registers in a public upper-level institution of higher education, Lamar State College--Orange, Lamar State College--Port Arthur, a Texas public junior college, or a public technical institute that is situated in a county immediately adjacent to the state in which the nonresident student resides. The nonresident tuition fee prescribed by this chapter does not apply to a nonresident student who is a resident of New Mexico or Oklahoma and who registers in a public technical institute that is situated in a county that is within 100 miles of the state in which the nonresident student resides and who is admitted for the purpose of utilizing available instructional facilities. The nonresident student described in this subsection shall pay an amount equivalent to the amount charged a Texas student registered at a similar school in the state in which the nonresident student resides. For purposes of this subsection, "public upper-level institution of higher education" means an institution of higher education that offers only junior-level and senior-level courses or only junior-level, senior-level, and graduate-level courses.

(b) The foreign student tuition fee prescribed in this chapter does not apply to a foreign student who is a resident of a nation situated adjacent to Texas, demonstrates financial need as provided by Subsection (c), and registers in:

(1) any general academic teaching institution or component of the Texas State Technical College System located in a county immediately adjacent to the nation in which the foreign student resides;

(2) lower division courses at a community or junior college having a partnership agreement pursuant to Subchapter N, Chapter 51, with an upper-level university and both institutions are located in the county immediately adjacent to the nation in which the foreign student resides;

(3) Texas A&M University--Kingsville, Texas A&M University--Corpus Christi, or The University of Texas at San Antonio; or

(4) courses that are part of a graduate degree program in public health and are conducted in a county immediately adjacent to the nation in which the foreign student resides.

(c) A foreign student to whom Subsection (b) applies shall pay tuition equal to that charged Texas residents under Sections 54.051 and 54.0512. The coordinating board shall adopt rules governing the determination of financial need of students to whom Subsection (b) applies and rules governing a pilot project to be established at general academic teaching institutions and at components of the Texas State Technical College System in counties that are not immediately adjacent to the nation in which the foreign student resides.

(d) The coordinating board by rule shall establish a program with the United Mexican States and with Canada for the exchange of students and shall establish programs with other nations for the exchange of students to the extent practicable. The foreign student tuition fee prescribed in this chapter does not apply to a foreign student participating in an exchange program established under this section.

(e) The coordinating board shall adopt rules to determine the number of students who may participate in the programs provided by Subsections (b) and (d) and the students who may transfer from any general academic teaching institution or component of the Texas State Technical College System in a county immediately adjacent to

the nation in which the foreign student resides to attend another general academic teaching institution or component of the Texas State Technical College System to complete a degree, certificate, or diploma or attend graduate school.

(f) The payment of resident tuition at Lamar State College--Orange, Lamar State College--Port Arthur, or a public technical institute as authorized by Subsection (a) or at an institution of higher education as authorized by Subsection (g) does not affect the constitutionally dedicated funding to which institutions of higher education are entitled under Article VII, Section 17, of the Texas Constitution.

(g) The nonresident tuition fee prescribed by this chapter does not apply to a nonresident student who is a resident of a county or parish of Arkansas, Louisiana, New Mexico, or Oklahoma that is adjacent to this state and who registers in an institution of higher education, the governing board of which has agreed to admit the student at the resident tuition fee prescribed by this chapter. The state in which the student resides must allow a resident of a county of this state that is adjacent to that state to register in a public institution of higher education in that state at the tuition fee charged residents of that state. The student shall pay tuition equal to that charged residents of this state at the institution.

(h) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "General academic teaching institution" and "public technical institute" have the meanings assigned by Section 61.003.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1975, 64th Leg., p. 280, ch. 122, Sec. 1, eff. May 5, 1975; Acts 1987, 70th Leg., ch. 823, Sec. 1.11(a), eff. June 20, 1987; Acts 1991, 72nd Leg., ch. 18, Sec. 3, eff. April 11, 1991; Acts 1993, 73rd Leg., ch. 266, Sec. 1, 2, eff. May 23, 1993; Acts 1993, 73rd Leg., ch. 658, Sec. 1, 2, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 451, Sec. 4, 1, eff. Aug. 28, 1995; Acts 1995, 74th Leg., ch. 1037, Sec. 1, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 197, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 753, Sec. 1, eff. June 17, 1997; Acts 1997, 75th Leg., ch. 1388, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 767, Sec. 3, 6, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 80, Sec. 1, eff. May 14, 2001; Acts 2001, 77th Leg., ch. 1392, Sec. 5, eff. June 16, 2001; Acts 2003, 78th Leg., ch. 1276, Sec. 6.010, eff. Sept. 1, 2003.

Sec. 54.0601. NONRESIDENT TUITION RATES AT CERTAIN INSTITUTIONS. On the written request of the governing board of a general academic teaching institution located not more than 100 miles from the boundary of this state with another state, the Texas Higher Education Coordinating Board may set a nonresident tuition rate that is lower than the nonresident tuition rate otherwise provided by this chapter if the coordinating board determines that the lower rate is in the best interest of the institution and will not cause unreasonable harm to any other institution of higher education.

Added by Acts 1995, 74th Leg., ch. 451, Sec. 5, eff. Aug. 28, 1995.

Sec. 54.063. TEACHING OR RESEARCH ASSISTANT. A teaching assistant or research assistant of any institution of higher education and the spouse and children of such a teaching assistant or research assistant are entitled to register in a state institution of higher education by paying the tuition fees and other fees or charges required for Texas residents under Section 54.051 of this code, without regard to the length of time the assistant has resided in Texas, if the assistant is employed at least one-half time in a teaching or research assistant position which relates to the assistant's degree program under rules and regulations established by the employer institution.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Renumbered from Sec. 54.051(o) and amended by Acts 1985, 69th Leg., ch. 708, Sec. 8, eff. Aug. 26, 1985.

Sec. 54.064. SCHOLARSHIP STUDENT. (a) A student who holds a competitive scholarship of at least \$1,000 for the academic year or summer for which the student is enrolled and who is either a nonresident or a citizen of a country other than the United States of America is entitled to pay the fees and charges required of Texas residents without regard to the length of time the student has

resided in Texas. The student must compete with other students, including Texas residents, for the scholarship and the scholarship must be awarded by a scholarship committee officially recognized by the administration and be approved by the Texas Higher Education Coordinating Board under criteria developed by the board.

(b) The total number of students at an institution paying resident tuition under this section for a particular semester may not exceed five percent of the total number of students registered at the institution for the same semester of the preceding academic year.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Renumbered from Sec. 54.051(p) and amended by Acts 1985, 69th Leg., ch. 708, Sec. 9, eff. Aug. 26, 1985. Amended by Acts 1989, 71st Leg., ch. 805, Sec. 2, eff. Aug. 28, 1989; Acts 1995, 74th Leg., ch. 451, Sec. 6, eff. Aug. 28, 1995.

Sec. 54.065. BIOMEDICAL RESEARCH PROGRAM; SCHOLARSHIP STUDENT. A student is entitled to pay the fees and charges required of Texas residents without regard to the length of time the student has resided in Texas if the student:

(1) holds a competitive academic scholarship or stipend;

(2) is accepted in a clinical and biomedical research training program designed to lead to both doctor of medicine and doctor of philosophy degrees; and

(3) is either a nonresident or a citizen of a country other than the United States of America.

Added by Acts 1987, 70th Leg., 2nd C.S., ch. 65, Sec. 1, eff. Aug. 4, 1987.

Sec. 54.069. REGISTERED NURSES IN POSTGRADUATE NURSING DEGREE PROGRAMS. An institution of higher education may permit a registered nurse authorized to practice professional nursing in Texas to register by paying the tuition fees and other fees or charges required for Texas residents under Section 54.051, without regard to the length of time the registered nurse has resided in Texas, if the registered nurse:

(1) is enrolled in a program designed to lead to a master's degree or other higher degree in nursing; and

(2) intends to teach in a program in Texas designed to prepare students for licensure as registered nurses.

Added by Acts 2001, 77th Leg., ch. 1489, Sec. 4, eff. Sept. 1, 2001.

Sec. 54.070. FOREIGN SERVICE OFFICERS. A foreign service officer employed by the United States Department of State and enrolled in an institution of higher education is entitled to pay the tuition and fees at the rates provided for Texas residents if the person is assigned to an office of the department of state that is located in a foreign nation that borders on this state.

Added by Acts 2001, 77th Leg., ch. 80, Sec. 2, eff. May 14, 2001. Renumbered from V.T.C.A., Education Code Sec. 54.069 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(31), eff. Sept. 1, 2003.

Sec. 54.073. TUITION RATES FOR OLYMPIC ATHLETES.

Text of section as added by Acts 2005, 79th Leg., ch. 865, Sec. 1

(a) A person enrolled in The University of Texas at Brownsville and Texas Southmost College is entitled to pay tuition and fees at the rates provided for Texas residents if the person:

(1) is in residence and in training as a participating athlete in a Community Olympic Development Program or at a United States Olympic training center located in this state;

(2) is residing permanently or temporarily in this state while in training as a participating athlete:

(A) in a Community Olympic Development Program located in this state; or

(B) at a United States Olympic training center located in this state in a program approved by the governing body for the athlete's Olympic sport; or

(3) is residing permanently or temporarily in this state while in training as a participating athlete at a facility in this state approved by the governing body for the athlete's Olympic sport, in a program approved by that body.

(b) Notwithstanding any other law, a person who is entitled to pay resident tuition and fees only as permitted by this section is not considered a Texas resident under this subchapter for purposes of a financial aid program offered by this state.

Added by Acts 2005, 79th Leg., ch. 865, Sec. 1, eff. June 17, 2005.

Sec. 54.073. ECONOMIC DEVELOPMENT AND DIVERSIFICATION.

Text of section as added by Acts 2005, 79th. Leg., ch. 888, Sec. 4

A person who registers at an institution of higher education without having established resident status in this state under Section 54.052 is entitled to pay tuition and required fees at the rate provided for residents of this state if:

(1) the person or, as determined by coordinating board rule, an adult member of the person's family who resides in the person's household and is a primary caretaker of the person establishes by the institution's enrollment date a residence in this state as a result of the person's or caretaker's employment by a business or organization that became established in this state as part of the program of state economic development and diversification authorized by the law of this state; and

(2) the person files with that institution of higher education a letter of intent to establish residency in this state. Added by Acts 2005, 79th Leg., ch. 888, Sec. 4, eff. Sept. 1, 2005.

Sec. 54.074. NATO AGREEMENT. A nonimmigrant alien who resides in this state in accordance with the Agreement between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces (4 U.S.T. 1792) and the spouse or children of that alien are considered to be residents for tuition and fee purposes under this title.

Added by Acts 2005, 79th Leg., ch. 888, Sec. 4, eff. Sept. 1, 2005.

Sec. 54.075. COORDINATING BOARD RULES; SUPPLEMENTATION OF RULES BY INSTITUTIONS LIMITED. (a) The coordinating board shall adopt rules to carry out the purposes of this subchapter.

(b) An institution of higher education may not require a person to provide evidence of resident status that is not required by coordinating board rule.

Added by Acts 2005, 79th Leg., ch. 888, Sec. 4, eff. Sept. 1, 2005.

SUBCHAPTER D. EXEMPTIONS FROM TUITION

Sec. 54.201. HIGHEST RANKING HIGH SCHOOL GRADUATES. The governing board of each institution of higher education may issue scholarships each year to the highest ranking graduate of each accredited high school of this state, exempting the graduates from the payment of tuition during both semesters of the first regular session immediately following their graduation. This exemption may be granted for any one of the first four regular sessions following the individual's graduation from high school when in the opinion of the institution's president the circumstances of an individual case, including military service, merit the action.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 54.203. VETERANS, DEPENDENTS, ETC.. (a) The governing board of each institution of higher education shall exempt the following persons from the payment of all dues, fees, and charges, including fees for correspondence courses but excluding property deposit fees, student services fees, and any fees or charges for lodging, board, or clothing, provided the persons seeking the exemptions were citizens of Texas at the time they entered the services indicated and have resided in Texas for at least the period of 12 months before the date of registration:

(1) all nurses and honorably discharged members of the armed forces of the United States who served during the Spanish-American War or during World War I;

(2) all nurses, members of the Women's Army Auxiliary Corps, members of the Women's Auxiliary Volunteer Emergency Service, and all honorably discharged members of the armed forces of the United States who served during World War II except those who were discharged from service because they were over the age of 38 or because of a personal request on the part of the person that he be discharged from service;

(3) all honorably discharged men and women of the armed forces of the United States who served during the national emergency which began on June 27, 1950, and which is referred to as the Korean War; and

(4) all persons who were honorably discharged from the armed forces of the United States after serving on active military duty, excluding training, for more than 180 days and who served a portion of their active duty during:

(A) the Cold War which began on the date of the termination of the national emergency cited in Subdivision (3) of this subsection;

(B) the Vietnam era which began on December 21, 1961, and ended on May 7, 1975;

(C) the Grenada and Lebanon era which began on

August 24, 1982, and ended on July 31, 1984;

(D) the Panama era which began on December 20, 1989, and ended on January 21, 1990;

(E) the Persian Gulf War which began on August 2, 1990, and ends on the date thereafter prescribed by Presidential proclamation or September 1, 1997, whichever occurs first;

(F) the national emergency by reason of certain terrorist attacks that began on September 11, 2001; or

(G) any future national emergency declared in accordance with federal law.

(b) The exemptions provided for in Subsection (a) of this section also apply and inure to the benefit of the children of members of the armed forces of the United States who are or were killed in action, who die or died while in service, who are missing in action, or whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States, and to the benefit of orphans of members of the Texas National Guard and the Texas Air National Guard killed since January 1, 1946, while on active duty either in the service of their state or the United States. However, to qualify for this exemption a person must be a citizen of Texas and must have resided in the state for at least 12 months immediately preceding the date of the person's registration.

(c) The exemptions provided for in Subsection (a) of this section shall not exceed a cumulative total of 150 credit hours.

(d) The governing board of each institution of higher education granting exemptions shall require every applicant claiming the benefit of an exemption to submit satisfactory evidence that he fulfills the necessary citizenship and residency requirements.

(e) The exemption from fees provided for in Subsection (a) of this section does not apply to a person if at the time of his registration he is eligible for educational benefits under federal legislation in effect at the time of his registration if the value of those benefits is equal to or exceeds the value of the exemption, except that the person must first utilize the federal benefit for which he is eligible and the combined amount of the federal benefit plus the amount of this waiver shall not exceed the maximum value of the waiver. A person is covered by the exemptions if his right to benefits under federal legislation is extinguished at the time of his registration, except that a person is not eligible for an exemption from fees under this section if the person's right to benefits under federal legislation is extinguished because the person is in default of repayment of a loan made to the person under a federal program to provide or guarantee loans for educational purposes. A person is not eligible for the exemption if the person is in default on a loan made or guaranteed for educational purposes by the State of Texas.

(f) The governing board of each institution of higher education may enter into contracts with the United States government, or any of its agencies, to furnish instruction to ex-servicemen and ex-service women at a tuition rate which covers the estimated cost of the instruction or, in the alternative, at a tuition rate of \$100 a semester, as may be determined by the governing board. If the rates specified are prohibited by federal law for any particular class of ex-servicemen or ex-service women, the tuition rate shall be set by the governing board, but shall not be less than the established rate for civilian students. If federal law provides as to any class of veterans that the tuition payments are to be deducted from subsequent benefits to which the veteran may be entitled, the institution shall refund to any veteran who is a resident of Texas within the meaning of this section the amount by which any adjusted compensation payment is actually reduced because of tuition payments made to the institution by the federal government for the veteran.

(g) The governing board of a junior college district may establish a fee for extraordinary costs associated with a specific course or program and may provide that the exemptions provided by Subsections (a) and (b) do not apply to this fee.

Text of subsec. (h) as added by Acts 2005, 79th Leg., ch. 7, Sec. 1

(h) The governing board of each institution of higher education shall electronically report to the Texas Higher Education Coordinating Board the information required by Section 61.0516 relating to each individual receiving an exemption from fees and charges under Subsection (a) or (b). The institution shall report

the information not later than December 31 of each year for the fall semester, May 31 of each year for the spring semester, and September 30 of each year for the summer session.

Text of subsec. (h) as added by Acts 2005, 79th Leg., ch. 888, Sec. 9

(h) In determining whether to admit a person to any certificate program or any baccalaureate, graduate, postgraduate, or professional degree program, an institution of higher education may not consider the fact that the person is eligible for an exemption under this section.

(i) The Texas Higher Education Coordinating Board may adopt rules to provide for the efficient and uniform application of this section.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1993, 73rd Leg., ch. 435, Sec. 1, 2, eff. June 6, 1993; Acts 1995, 74th Leg., ch. 159, Sec. 1, eff. May 23, 1995; Acts 1995, 74th Leg., ch. 301, Sec. 1, eff. June 5, 1995; Acts 1995, 74th Leg., ch. 840, Sec. 1, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 1102, Sec. 1, eff. Sept. 1, 1997; Acts 2005, 79th Leg., ch. 7, Sec. 1, eff. May 3, 2005; Acts 2005, 79th Leg., ch. 98, Sec. 1, eff. May 20, 2005; Acts 2005, 79th Leg., ch. 888, Sec. 9, eff. Sept. 1, 2005.

Sec. 54.204. CHILDREN OF DISABLED FIREMEN AND PEACE OFFICERS. (a) In this section:

(1) "Eligible employee" means a full-paid or volunteer firefighter, or a full-paid municipal, county, or state peace officer, or a custodial employee of the Texas Department of Corrections, or a game warden.

(2) "Disability" means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be under a disability unless he furnishes such proof of its existence as may be required.

(b) The governing board of each institution of higher education shall exempt from the payment of all dues, fees, and charges any person whose parent is an eligible employee who has suffered an injury, resulting in death or disability, sustained in the line of duty according to the regulations and criteria then in effect governing the department or agency in which he was employed. The exemption does not apply to general property deposits or to fees or charges for lodging, board, or clothing.

(c) A person is not entitled to the exemption if the person:

(1) does not apply initially for the exemption before the date the person:

(A) becomes 21 years of age, if the person is not covered by Paragraph (B); or

(B) becomes 22 years of age, if the person is eligible to participate in a school district's special education program under Section 29.003;

(2) does not meet all entrance requirements of the institution; or

(3) does not maintain a scholastic average sufficient to remain in good standing.

(d) Subject to Subsection (e), a person may receive an exemption only for the first 120 undergraduate semester credit hours for which the person registers.

(e) A person is not entitled to an exemption for any term or semester the person begins after the date the person becomes 26 years of age.

(f) A person entitled to an exemption under the provisions of this section shall, when transferring from a public junior college to a public senior college or university, meet the standard entrance requirements required by the senior college or university of an applicant for admission not covered by the provisions of this section.

(g) An eligible employee whose injury results in a disability shall submit to a physical examination by a physician designated by the United States Social Security Administration to conduct physical examinations and to make disability reports to the Social Security Administration. If the physician decides the injury received has resulted in a disability, he shall certify this fact to the head of the department which employs the employee.

(h) The head of the department which employed the eligible employee at the time he sustained the injury shall file a certificate with the Coordinating Board, Texas College and

University System, on a form prepared by the board for the purpose. The head of the department shall attach the certificate of the examining physician if an examination is required by Subsection (g) of this section. A copy of the certificate on file with the coordinating board is sufficient evidence for the institution to grant the exemption.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1975, 64th Leg., p. 1386, ch. 534, Sec. 1, eff. Sept. 1, 1975; Acts 1999, 76th Leg., ch. 1531, Sec. 1, eff. Aug. 30, 1999; Acts 2001, 77th Leg., ch. 465, Sec. 1, 2, eff. June 11, 2001.

Sec. 54.2041. DISABLED PEACE OFFICERS. (a) The governing board of an institution of higher education may exempt a student from the payment of tuition and required fees authorized by this chapter for a course for which space is available if the student:

(1) is a resident of this state and has resided in this state for the 12 months immediately preceding the beginning of the semester or session for which an exemption is sought;

(2) is permanently disabled as a result of an injury suffered during the performance of a duty as a peace officer of this state or a political subdivision of this state; and

(3) is unable to continue employment as a peace officer because of the disability.

(b) A person may not receive an exemption under this section for more than 12 semesters or sessions while the person is enrolled in an undergraduate program or while the person is attending only undergraduate courses.

(c) A person may not receive an exemption under this section if the person is enrolled in a master's degree program or is attending postgraduate courses to meet the requirements of a master's degree program and the person has previously received a master's degree and received an exemption under this section for a semester or session while attending a postgraduate course to meet the requirements of the master's degree program.

(d) A person may not receive an exemption under this section if the person is enrolled in a doctoral degree program or is attending postgraduate courses to meet the requirements of a doctoral degree program and the person has previously received a doctoral degree and received an exemption under this section for a semester or session while attending a postgraduate course to meet the requirements of the doctoral degree program.

(e) A person must apply for an exemption in the manner provided by the governing board of the institution. The governing board shall require an applicant for an exemption to submit satisfactory evidence that the applicant is eligible for the exemption.

(f) The legislature, in an appropriations act, shall account for the rates of tuition and fees authorized by Subsection (a) in a way that does not increase the general revenue appropriations to that institution.

(g) In this section, "injury suffered during the performance of a duty as a peace officer" means an injury occurring as a result of the peace officer's performance of any of the following law enforcement duties:

(1) traffic enforcement or traffic control duties, including enforcement of traffic laws, investigation of vehicle accidents, or directing traffic;

(2) pursuit, arrest, or search of a person reasonably believed to have violated a law;

(3) investigation, including undercover investigation, of a criminal act;

(4) patrol duties, including automobile, bicycle, foot, air, or horse patrol;

(5) duties related to the transfer of prisoners; or

(6) training duties, including participation in any training required by the officer's employer or supervisor or by the Commission on Law Enforcement Officer Standards and Education.

(h) For the purpose of this section, a peace officer is considered permanently disabled only if the chief administrative officer of the law enforcement agency or other entity that employed the officer at the time of the injury determines the officer is permanently disabled and satisfies any requirement of an institution under Subsection (e).

Added by Acts 1997, 75th Leg., ch. 728, Sec. 1, eff. June 17, 1997.

Sec. 54.205. BLIND, DEAF STUDENTS. (a) In this section:

(1) "Resident" has the same meaning as is assigned it in Subchapter B of this chapter.

(2) "Blind person" means a person who is a "blind disabled individual" as defined in Section 91.051(5), Human Resources Code.

(3) "Deaf person" means a person whose sense of hearing is nonfunctional, after all necessary medical treatment, surgery, and use of hearing aids, for understanding normal conversation.

(4) "Tuition fees" includes all dues, fees, and enrollment charges whatsoever for which exemptions may be lawfully made, including fees for correspondence courses, general property deposit fees, and student services fees, but does not include fees or charges for lodging, board, or clothing.

(5) "Institution of higher education" has the meaning assigned by Section 61.003, except that the term includes the Southwest Collegiate Institute for the Deaf.

(b) A deaf or blind person who is a resident is entitled to exemption from the payment of tuition fees at any institution of higher education utilizing public funds if he presents:

(1) certification that he is a "blind person" or a "deaf person" as defined in Subsection (a) of this section by the Texas Rehabilitation Commission, Texas Commission for the Blind, or Texas Commission for the Deaf and Hard of Hearing, as appropriate, in a written statement, which certification is considered conclusive;

(2) a written statement of purpose from the person that indicates the certificate or degree program to be pursued or the professional enhancement from the course of study for that certificate or degree program;

(3) a high school diploma or its equivalent;

(4) a letter of recommendation from the principal of the high school attended by the deaf or blind individual, a public official, or some other responsible person who knows the deaf or blind individual and is willing to serve as a reference; and

(5) proof that he meets all other entrance requirements of the institution.

(c) The governing board of an institution may establish special entrance requirements to fit the circumstances of deaf and blind persons. The Texas Rehabilitation Commission, the Texas Commission for the Blind, the Texas Commission for the Deaf and Hard of Hearing, and the Texas Higher Education Coordinating Board may develop any rules and procedures that these agencies determine necessary for the efficient implementation of this section.

(d) For the purposes of this section, a person is required to present certification that the person is a "blind person" or a "deaf person" as required under Subsection (b)(1) of this section at the time the person initially enrolls at an institution of higher education in the course of study designated by the person under Subsection (b)(2) of this section. The certification is valid for each semester that the person enrolls at that institution in the designated course of study.

(e) A person who qualifies for an exemption under this section is entitled to the exemption for each course in which the person enrolls at an institution of higher education.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1973, 63rd Leg., p. 427, ch. 192, Sec. 1, 2, eff. May 25, 1973; Acts 1985, 69th Leg., ch. 793, Sec. 32, eff. Sept. 1, 1985; Acts 1993, 73rd Leg., ch. 392, Sec. 1, 2, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 116, Sec. 1, eff. May 17, 1995; Acts 1995, 74th Leg., ch. 835, Sec. 16, eff. Sept. 1, 1995.

Sec. 54.207. STUDENTS FROM OTHER NATIONS OF THE AMERICAN HEMISPHERE. (a) The governing boards of the institutions of higher education may annually exempt from the payment of tuition fees the following students:

(1) 200 native-born students from the other nations of the American hemisphere; and

(2) 35 native-born students from a Latin American country designated by the United States Department of State.

(b) Ten students from each nation, as authorized in Subsection (a)(1) of this section, shall be exempt as provided in this subsection. In the event any nation fails to have 10 students available and qualified for exemption, additional students from the other nations may be exempted, subject to the approval of the Coordinating Board, Texas College and University System, and

allocation by it. However, not more than 235 students from all the nations shall be exempt each year. In the event the nation designated in Subsection (a)(2) of this section fails to have 35 students available and qualified for exemption within a reasonable time, additional students from other nations may be exempt, subject to the approval of the coordinating board.

(c) Every applicant desiring the exemption shall furnish satisfactory evidence, certified by the proper authority of his native country, that he is a bona fide native-born citizen and resident of the country which certifies his application and that he is scholastically qualified for admission.

(d) The coordinating board, after consultation with representatives of the governing boards of the institutions of higher education, shall formulate and prescribe a plan governing the admission and distribution of all applicants desiring to qualify under the provisions of this section.

(e) No student shall be exempted under this section who is not a native-born citizen of the country certifying his qualifications and who has not lived in one of the nations of this hemisphere for a period of at least five years. No member of the Communist Party and no student from Cuba shall be eligible for benefits under this section.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 708, Sec. 11, eff. Aug. 26, 1985.

Sec. 54.208. FIREMEN ENROLLED IN FIRE SCIENCE COURSES. The governing boards of the state institutions of collegiate rank supported in whole or in part by public funds shall exempt from the payment of tuition and laboratory fees any person who is employed as a fireman by any political subdivision of the state and who enrolls in a course or courses offered as part of a fire science curriculum. The exemption provided does not apply to deposits which may be required in the nature of security for the return or proper care of property loaned for the use of students.

Added by Acts 1971, 62nd Leg., p. 3345, ch. 1024, art. 2, Sec. 16, eff. Sept. 1, 1971.

Sec. 54.209. CHILDREN OF PRISONERS OF WAR OR PERSONS MISSING IN ACTION. (a) In this section:

(1) "Dependent child" means a person under 21 years of age, or a person under 25 years of age who receives the majority of his support from his parent or parents.

(2) "Tuition and fees" includes tuition, service fees, lab fees, building use fees, and all other fees except room, board, or clothing fees, or deposits in the nature of security for the return or proper care of property.

(b) The governing body of each institution of higher education, on presentation of satisfactory evidence, shall exempt from the payment of tuition and fees the dependent child of any person who is a domiciliary of Texas on active duty as a member of the armed forces of the United States, and who at the time of the registration is classified by the Department of Defense as a prisoner of war or as missing in action.

Added by Acts 1971, 62nd Leg., p. 3356, ch. 1024, art. 2, Sec. 33, eff. Sept. 1, 1971.

Sec. 54.210. SENIOR CITIZENS. (a) In this section, "senior citizen" means a person 65 years of age or older.

(b) The governing board of a state-supported institution of higher education may allow a senior citizen to audit any course offered by the institution without the payment of a fee if space is available.

(c) The governing board of an institution of higher education may allow a senior citizen to enroll for credit in up to six hours of courses offered by the institution each semester or summer term without payment of tuition if space is available.

Added by Acts 1975, 64th Leg., p. 265, ch. 111, Sec. 1, eff. Sept. 1, 1975. Amended by Acts 1995, 74th Leg., ch. 369, Sec. 1, eff. Aug. 28, 1995.

Sec. 54.211. EXEMPTIONS FOR STUDENTS IN FOSTER OR OTHER RESIDENTIAL CARE. (a) A student is exempt from the payment of tuition and fees authorized in this chapter if the student:

(1) was in foster care or other residential care under the conservatorship of the Department of Family and Protective Services on or after:

(A) the day preceding the student's 18th birthday;

(B) the day of the student's 14th birthday, if the student was also eligible for adoption on or after that day; or

(C) the day the student graduated from high school or received the equivalent of a high school diploma; and

(2) enrolls in an institution of higher education as an undergraduate student not later than:

(A) the third anniversary of the date the student was discharged from the foster or other residential care, the date the student graduated from high school, or the date the student received the equivalent of a high school diploma, whichever date is earliest; or

(B) the student's 21st birthday.

(b) The Texas Education Agency and the Texas Higher Education Coordinating Board shall develop outreach programs to ensure that students in foster or other residential care in grades 9-12 are aware of the availability of the exemption from the payment of tuition and fees provided by this section.

Added by Acts 1993, 73rd Leg., ch. 435, Sec. 3, eff. June 6, 1993. Amended by Acts 1997, 75th Leg., ch. 731, Sec. 1, eff. Sept. 1, 1997; Acts 2005, 79th Leg., ch. 268, Sec. 1.01, eff. Sept. 1, 2005.

Sec. 54.2111. EXEMPTIONS FOR ADOPTED STUDENTS FORMERLY IN FOSTER OR OTHER RESIDENTIAL CARE. (a) A student is exempt from the payment of tuition and fees authorized by this chapter if the student:

(1) was adopted; and

(2) was the subject of an adoption assistance agreement under Subchapter D, Chapter 162, Family Code.

(b) The Texas Education Agency and the Texas Higher Education Coordinating Board shall develop outreach programs to ensure that adopted students in grades 9-12 formerly in foster or other residential care are aware of the availability of the exemption from the payment of tuition and fees provided by this section.

Added by Acts 2003, 78th Leg., ch. 1266, Sec. 1.10, eff. June 20, 2003. Amended by Acts 2005, 79th Leg., ch. 268, Sec. 1.02, eff. Sept. 1, 2005.

Sec. 54.212. ONE-YEAR EXEMPTION FOR CERTAIN TANF STUDENTS. A student is exempt from the payment of tuition and fees authorized by this chapter for the first academic year in which the student enrolls at an institution of higher education if the student:

(1) graduated from a public high school in this state;

(2) successfully completed the attendance requirements under Section 21.032;

(3) during the student's last year of public high school in this state, was a dependent child receiving financial assistance under Chapter 31, Human Resources Code, for not less than six months;

(4) is younger than 22 years of age on the date of enrollment;

(5) enrolls at the institution as an undergraduate student not later than the second anniversary of the date of graduation from a public high school in this state;

(6) has met the entrance examination requirements of the institution before the date of enrollment; and

(7) is classified as a resident under Subchapter B.

Added by Acts 1995, 74th Leg., ch. 620, Sec. 1, eff. Aug. 28, 1995. Amended by Acts 1997, 74th Leg., ch. 620, Sec. 1; Acts 2001, 77th Leg., ch. 1094, Sec. 1, eff. June 15, 2001.

Sec. 54.213. FUNDING OF EXEMPTIONS. (a) An institution of higher education may fund tuition exemptions under Section 54.212 or 54.214 from local funds or from funds appropriated to the institution. An institution of higher education is not required to provide tuition exemptions beyond those funded through appropriations specifically designated for this purpose.

(b) Savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program created in Subchapter K, Chapter 56, and that are not required for the funding of state credits for tuition and mandatory fees under Section 56.204 or school district credits under Section 56.2075 shall be used first to provide tuition exemptions under Section 54.212. Any of those savings remaining after providing tuition exemptions under Section 54.212 shall be used to provide tuition exemptions under Section 54.214. The Texas Education Agency shall also accept and make available to provide tuition exemptions under

Section 54.214 gifts, grants, and donations made to the agency for that purpose. Payment of funds under this subsection shall be made in the manner provided by Section 56.207 for state credits under Subchapter K, Chapter 56.

Added by Acts 1995, 74th Leg., ch. 620, Sec. 1, eff. Aug. 28, 1995. Amended by Acts 1997, 75th Leg., ch. 524, Sec. 2, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 1317, Sec. 9, eff. Sept. 1, 2003.

Sec. 54.214. EDUCATIONAL AIDES. (a) In this section, "coordinating board" means the Texas Higher Education Coordinating Board.

(b) The governing board of an institution of higher education shall exempt an eligible educational aide from the payment of tuition and fees, other than class or laboratory fees.

(c) To be eligible for an exemption under this section, a person must:

- (1) be a resident of this state;
- (2) be a school employee serving in any capacity;
- (3) for the initial term or semester for which the person receives an exemption under this section, have worked as an educational aide for at least one school year during the five years preceding that term or semester;
- (4) establish financial need as determined by coordinating board rule;
- (5) be enrolled in courses required for teacher certification at the institution of higher education granting the exemption;
- (6) maintain an acceptable grade point average as determined by coordinating board rule; and
- (7) comply with any other requirements adopted by the coordinating board under this section.

(d) The coordinating board must certify a person's eligibility to receive an exemption under this section. As soon as practicable after receiving an application for certification, the coordinating board shall make the determination of eligibility and give notice of its determination to the applicant, the institution of higher education at which the applicant is enrolled, and the school district employing the person as an educational aide.

(e) The coordinating board shall adopt rules consistent with this section as necessary to implement this section. The coordinating board shall distribute a copy of the rules adopted under this section to each school district and institution of higher education in this state.

(f) The board of trustees of a school district shall establish a plan to encourage the hiring of educational aides who show a willingness to become certified teachers.

(g) The governing board of an institution of higher education that offers courses required for teacher certification shall establish a plan to make those courses more accessible to those who seek teacher certification. The board shall consider as part of its plan to make those courses more accessible for teacher certification, evening classes, Internet classes, or other means approved by the Texas Higher Education Coordinating Board.

Added by Acts 1997, 75th Leg., ch. 524, Sec. 3, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 74, Sec. 1, eff. May 14, 2001; Acts 2005, 79th Leg., ch. 1181, Sec. 13, eff. Sept. 1, 2005.

Sec. 54.2155. PAYMENT OF TUITION ASSISTANCE FOR MEMBERS OF STATE MILITARY FORCES. (a) For each semester, the adjutant general of the state military forces shall certify to institutions of higher education as described by Section 431.090, Government Code, information identifying the persons to whom the adjutant general has awarded tuition assistance under that section.

(b) An institution of higher education shall exempt a person certified by the adjutant general as described by Subsection (a) from the payment of tuition for the semester credit hours for which the person enrolls, not to exceed 12 semester credit hours. If the person is not charged tuition at the rate provided for other Texas residents, the amount of the exemption may not exceed the amount of tuition the person would be charged as a Texas resident for the number of semester credit hours for which the person enrolls, not to exceed 12 semester credit hours.

Added by Acts 1999, 76th Leg., ch. 1206, Sec. 2, eff. Jan. 1, 2000. Amended by Acts 2005, 79th Leg., ch. 1181, Sec. 14, eff. Sept. 1, 2005.

Sec. 54.216. STUDENTS ENROLLED IN COURSE FOR CONCURRENT HIGH SCHOOL AND COLLEGE-LEVEL CREDIT. The governing board of an

institution of higher education may waive all or part of the tuition and fees charged by the institution for a student enrolled in a course for which the student is entitled to simultaneously receive both:

- (1) course credit toward the student's high school academic requirements; and
- (2) course credit toward a degree offered by the institution.

Added by Acts 2003, 78th Leg., ch. 812, Sec. 1, eff. June 20, 2003.

Sec. 54.2161. PILOT PROJECT FOR CERTAIN STUDENTS ENROLLED IN JUNIOR COLLEGE COURSES FOR CONCURRENT HIGH SCHOOL AND HIGHER EDUCATION ACADEMIC CREDIT.

Text of section effective until August 15, 2009

(a) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Public junior college" has the meaning assigned by Section 61.003.

(b) Notwithstanding Section 54.002 or 54.216, the governing board of a public junior college participating in the pilot project established under this section shall waive the tuition and mandatory fees charged by the college for a student who:

(1) is educationally disadvantaged, as defined by Section 5.001; and

(2) is enrolled in a course offered by the college for which the student is entitled to simultaneously receive both:

(A) course credit toward the student's high school academic requirements; and

(B) course credit toward a degree or certificate offered by the college.

(c) A student described by Subsection (b) is entitled to free textbooks required for a course described by Subsection (b)(2). The institution of higher education offering the course shall provide the textbooks to the student. The school district in which the student attends school shall pay the costs of the textbooks in accordance with Section 31.031.

(d) The coordinating board shall adopt a procedure for a public junior college to use in applying to participate in the pilot project established under this section. From among the public junior colleges that apply to participate under this subsection, the coordinating board shall select five to participate in the pilot project. The public junior colleges selected by the board must:

(1) be located in various geographic regions of the state;

(2) vary significantly in the number of students enrolled; and

(3) satisfy any other requirements adopted by the board.

(e) The pilot project established under this section may not be implemented in a state fiscal year unless in the General Appropriations Act for that fiscal year the legislature accounts for the tuition and fee exemptions required by this section in a way that provides a corresponding increase in the general revenue funds appropriated to the public junior colleges that would be participating in the pilot project. It is the intent of the legislature that the tuition and fee exemptions required by this section be financed by savings to the state resulting under this section from reductions in the number of courses taken by undergraduate students.

(f) If the pilot project established under this section is implemented, the commissioner of higher education shall conduct an ongoing evaluation of the effectiveness of the pilot project in encouraging students to graduate from public and private institutions of higher education in a timely manner and of any other benefits or any problems that result from the pilot project. In making an evaluation under this subsection, the commissioner of higher education shall consult with the commissioner of education. The commissioner of higher education shall report the results of an evaluation under this subsection to the legislature not later than December 31, 2006, and December 31, 2008.

(g) The governing board of a public junior college may not waive tuition and fees under this section and a student is not entitled to free textbooks under this section for a semester or other academic term beginning before the 2005 fall semester.

(h) This section expires August 15, 2009.
Added by Acts 2005, 79th Leg., ch. 1339, Sec. 1, eff. June 18, 2005.

Sec. 54.217. STUDENTS ENROLLED IN FULLY FUNDED COURSES. The governing board of an institution of higher education may waive tuition and fees for students attending courses that are fully funded by federal or other sources.

Added by Acts 1995, 74th Leg., ch. 327, Sec. 1, eff. June 8, 1995. Renumbered from Sec. 54.212 by Acts 1999, 76th Leg., ch. 62, Sec. 19.01(11), eff. Sept. 1, 1999.

Sec. 54.218. DISTANCE LEARNING OR OFF-CAMPUS COURSES. The governing board of an institution of higher education may waive a fee it is authorized to charge if the board determines that:

(1) a student is enrolled only in distance learning courses or other off-campus courses of the institution;

(2) the student cannot reasonably be expected to use the activities, services, or facilities on which the fee is based; and

(3) the waiver of the fee will not materially impair the ability of the institution either to service any debt on which the fee is based or to offer or operate the particular activity, service, or facility supported by the fee.

Added by Acts 1997, 75th Leg., ch. 1073, Sec. 1.03, eff. Aug. 1, 1997. Renumbered from Sec. 54.214 by Acts 1999, 76th Leg., ch. 62, Sec. 19.01(12), eff. Sept. 1, 1999.

Sec. 54.219. PRISONERS OF WAR. (a) In this section, "tuition and required fees" includes tuition, service fees, lab fees, building use fees, and all other required fees except room, board, or clothing fees or deposits in the nature of security for the return or proper care of property.

(b) For each semester or summer session and for a total number of semester credit hours not to exceed 120, the governing body of each institution of higher education shall exempt from the payment of tuition and required fees any person who:

(1) is a resident of Texas and was a resident of Texas at the time of the person's original entry into the United States armed forces;

(2) was first classified as a prisoner of war by the United States Department of Defense on or after January 1, 1999; and

(3) is enrolled for at least 12 semester credit hours.

(c) For each semester or session in which a person receives an exemption from tuition and required fees under Subsection (b), the governing body of the institution the person attends shall exempt the person from the payment of fees and charges for lodging and board if the person resides on the campus of the institution. If the person does not reside on the campus of the institution, the institution shall provide to the person a reasonable stipend to cover the costs of the person's lodging and board.

(d) For each semester or session in which a person receives an exemption from tuition and required fees under Subsection (b), the governing body of the institution the person attends shall award to the person a scholarship to cover the costs of books and similar educational materials required for course work at the institution.

(e) An institution may use any available revenue, including legislative appropriations, and shall solicit and accept gifts, grants, and donations for the purposes of this section. The institution shall use gifts, grants, and donations received for the purposes of this section before using any other revenue.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 11(b), eff. June 19, 1999.

Sec. 54.221. CHILDREN OF PROFESSIONAL NURSING PROGRAM FACULTY. (a) In this section:

(1) "Child" means a child 25 years of age or younger and includes an adopted child.

(2) "Graduate professional nursing program" means an educational program of a public or private institution of higher education that prepares students for a master's or doctoral degree in nursing.

(3) "Undergraduate professional nursing program" means a public or private educational program for preparing students for initial licensure as registered nurses.

(b) The governing board of an institution of higher education shall exempt from the payment of tuition a resident of this state enrolled as an undergraduate student at the institution

who is a child of a person who, at the beginning of the semester or other academic term for which an exemption is sought, holds a master's or doctoral degree in nursing, if not employed or under contract as a teaching assistant under Subdivision (1) or (2), or a baccalaureate degree in nursing, if employed or under contract as a teaching assistant under Subdivision (1) or (2), and:

(1) is employed by an undergraduate or graduate professional nursing program in this state as a full-time member of its faculty or staff with duties that include teaching, serving as a teaching assistant, performing research, serving as an administrator, or performing other professional services; or

(2) has contracted with an undergraduate or graduate professional nursing program in this state to serve as a full-time member of its faculty or staff to perform duties described by Subdivision (1) during all or part of the semester or other academic term for which an exemption is sought or, if the child is enrolled for a summer session, during all or part of that session or for the next academic year.

(c) A child who would qualify for an exemption under this section but for the fact that the child's parent is not employed full-time is eligible for an exemption on a pro rata basis equal to the percentage of full-time employment the parent is employed, except that a parent employed for less than 25 percent of full-time employment is considered to be employed for 25 percent of full-time employment.

(d) A person is not eligible for an exemption under this section if the person:

(1) has previously received an exemption under this section for 10 semesters or summer sessions at any institution or institutions of higher education; or

(2) has received a baccalaureate degree.

(e) For purposes of Subsection (d), a summer session that is less than nine weeks in duration is considered one-half of a summer session.

(f) The tuition exemption provided by this section applies only to enrollment of a child at the institution at which the child's parent is employed or is under contract.

(g) The Texas Higher Education Coordinating Board shall adopt:

(1) rules governing the granting or denial of an exemption under this section, including rules relating to the determination of eligibility for an exemption; and

(2) a uniform application form for an exemption under this section.

Added by Acts 2005, 79th Leg., ch. 674, Sec. 2, eff. June 17, 2005.

Sec. 54.222. PRECEPTORS FOR PROFESSIONAL NURSING EDUCATION PROGRAMS. (a) In this section, "child" and "undergraduate professional nursing program" have the meanings assigned by Section 54.221.

(b) The governing board of an institution of higher education shall exempt from the payment of \$500 of the total amount of tuition a resident of this state enrolled as a student at the institution who:

(1) is a registered nurse; and

(2) is serving under a written preceptor agreement with an undergraduate professional nursing program as a clinical preceptor for students enrolled in the program for the semester or other academic term for which the exemption is sought.

(c) The governing board of an institution of higher education shall exempt from the payment of \$500 of the total amount of tuition a resident of this state enrolled as an undergraduate student at the institution who is a child of a person who meets the requirements of Subsections (b)(1) and (2).

(d) Notwithstanding Subsections (b) and (c), if a person eligible for an exemption under this section owes less than \$500 in tuition, the governing board of the institution of higher education in which the person is enrolled shall exempt the person from the payment of only the amount of tuition the person owes.

(e) A person is not eligible for an exemption under Subsection (c) if the person:

(1) has previously received an exemption under this section for 10 semesters or summer sessions at any institution or institutions of higher education; or

(2) has received a baccalaureate degree.

(f) For purposes of Subsection (e), a summer session that is

less than nine weeks in duration is considered one-half of a summer session.

(g) The Texas Higher Education Coordinating Board shall adopt:

(1) rules governing the granting or denial of an exemption under this section, including rules relating to the determination of eligibility for an exemption; and

(2) a uniform application form for an exemption under this section.

Added by Acts 2005, 79th Leg., ch. 674, Sec. 2, eff. June 17, 2005.

SUBCHAPTER E. OTHER FEES AND DEPOSITS

Sec. 54.501. LABORATORY FEES. (a) An institution of higher education shall set and collect a laboratory fee in an amount sufficient to cover the general cost of laboratory materials and supplies used by a student. An institution other than a public junior college may charge a laboratory fee in an amount that is not less than \$2 nor more than \$30 for any one semester or summer term for a student in any one laboratory course, except that the amount of the laboratory fee may not exceed the cost of actual materials and supplies used by the student. A public junior college may charge a laboratory fee in an amount that does not exceed the lesser of \$24 per semester credit hour of laboratory course credit for which the student is enrolled or the cost of actual materials and supplies used by the student.

(b) Laboratory fees collected by an institution under this section shall be accounted for as educational and general funds.

(c) The governing board of a public junior college may set and collect a fee per contact hour, not to exceed \$4, for each person registered in an aerospace mechanics certification course where the fee is required to offset that portion of the cost of the course, including the cost of equipment and of professional instruction or tutoring, that is not covered by state funding or by the fee in Subsection (a).

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 497, Sec. 1, eff. June 12, 1985; Acts 1987, 70th Leg., ch. 901, Sec. 2, eff. Aug. 31, 1987; Acts 2003, 78th Leg., ch. 1238, Sec. 1, eff. June 20, 2003.

Sec. 54.5011. CHARGES AND FEES FOR CERTAIN PAYMENTS. (a) This section applies to a payment of tuition, a fee, or another charge to an institution of higher education that is made or authorized person, by mail, by telephone call, or through the Internet by means of:

- (1) an electronic funds transfer; or
- (2) a credit card.

(b) An institution of higher education may charge a fee or other amount in connection with a payment to which this section applies, in addition to the amount of the tuition, fee, or other charge being paid, including:

(1) a discount, convenience, or service charge for the transaction; or

(2) a service charge in connection with a payment transaction that is dishonored or refused for lack of funds or insufficient funds.

(c) A fee or other charge under this section must be in an amount reasonable and necessary to reimburse the institution for the expense incurred by the institution in processing and handling the payment or payment transaction.

(d) Before accepting a payment by credit card, the institution shall notify the student of any fee to be charged under this section.

Added by Acts 2001, 77th Leg., ch. 118, Sec. 6.01, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 1266, Sec. 1.11, eff. June 20, 2003; Acts 2005, 79th Leg., ch. 980, Sec. 2, eff. June 18, 2005.

Sec. 54.502. GENERAL PROPERTY DEPOSITS. (a) An institution of higher education may collect a reasonable deposit in an amount not to exceed \$100 from each student to insure the institution against losses, damages, and breakage in libraries and laboratories. The deposit shall be returned on the withdrawal or graduation of a student, less an amount necessary to cover any loss, damage, or breakage caused by the student.

(b) The medical, dental, and allied health units of The University of Texas System, the University of North Texas Health Science Center at Fort Worth, the Texas Tech University Health Sciences Center, and The Texas A & M University College of Medicine

may collect a breakage or loss deposit no greater than \$30. Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1987, 70th Leg., ch. 901, Sec. 3, eff. Aug. 31, 1987; Acts 1989, 71st Leg., ch. 910, Sec. 6; Acts 1993, 73rd Leg., ch. 408, Sec. 5, eff. Aug. 30, 1993; Acts 2001, 77th Leg., ch. 1416, Sec. 1, eff. June 16, 2001.

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 of an institution of higher education shall be used, at the discretion of the institution's governing board, for making scholarship awards to needy and deserving students of the institution and making grants under Subchapter C, Chapter 56, to resident students of the institution. 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.

(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 grants under Subchapter M, Chapter 56.

Renumbered from V.T.C.A., Education Code Sec. 51.052 by Acts 1987, 70th Leg., ch. 901, Sec. 4, eff. Aug. 31, 1987. Amended by Acts 1993, 73rd Leg., ch. 595, Sec. 1, eff. Sept. 1, 1993; Acts 1999, 76th Leg., ch. 1590, Sec. 2, eff. June 19, 1999; Acts 2005, 79th Leg., ch. 1181, Sec. 15, eff. Sept. 1, 2005.

Sec. 54.5022. INVESTMENT OF GENERAL PROPERTY DEPOSITS. The governing board of each institution of higher education may invest the funds received as general property deposits authorized in Section 54.502 of this code in the manner provided under either Section 51.003 or 51.0031 of this code.

Renumbered from V.T.C.A., Education Code Sec. 51.051 by Acts 1987, 70th Leg., ch. 901, Sec. 5, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 628, Sec. 3, eff. Aug. 28, 1989.

Sec. 54.5025. PRORATION OF FEES. Based on the length of the semester or term for which a student is enrolled, the governing board of an institution of higher education may prorate the amount of any fee charged to the student under this chapter.

Added by Acts 1999, 76th Leg., ch. 1053, Sec. 2, eff. June 18, 1999.

Sec. 54.503. STUDENT SERVICES FEES. (a) For the purposes of this section:

(1) "Student services" means activities which are separate and apart from the regularly scheduled academic functions of the institution and directly involve or benefit students, including textbook rentals, recreational activities, health and hospital services, medical services, intramural and intercollegiate athletics, artists and lecture series, cultural entertainment series, debating and oratorical activities, student publications, student government, the student fee advisory committee, student transportation services other than services under Sections 54.504, 54.511, 54.512, and 54.513 of this code, and any other student activities and services specifically authorized and approved by the governing board of the institution of higher education. The term does not include services for which a fee is charged under another section of this code.

(2) "Compulsory fee" means a fee that is charged to all students enrolled at the institution.

(3) "Voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

(b) The governing board of an institution of higher education may charge and collect from students registered at the institution fees to cover the cost of student services. The fee or fees may be either voluntary or compulsory as determined by the governing board. The total of all compulsory student services fees collected from a student at an institution of higher education other than The University of Texas at Austin or a component institution of the University of Houston System for any one semester or summer session shall not exceed \$250. All compulsory student services fees charged and collected under this section by the governing board of an institution of higher education, other than a public junior college, shall be assessed in proportion to the number of semester credit hours for which a student registers. No portion of the compulsory fees collected may be expended for parking facilities or services, except as related to providing shuttle bus services.

(c) The provisions of this section do not affect the building use fees or other special fees authorized by the legislature for any institution for the purpose of financing revenue bond issues.

(d) All money collected as student services fees shall be reserved and accounted for in an account or accounts kept separate and apart from educational and general funds of the institution and shall be used only for the support of student services. All the money shall be placed in a depository bank or banks designated by the governing board and shall be secured as required by law. Each year the governing board shall approve for the institution a separate budget for student activities and services financed by fees authorized in this section. The budget shall show the fees to be assessed, the purpose or functions to be financed, the estimated income to be derived, and the proposed expenditures to be made. Copies of the budgets shall be filed annually with the coordinating board, the governor, the legislative budget board, and the state library.

(e) The governing board may waive all or part of any compulsory fee or fees authorized by this section in the case of any student for whom the payment of the fee would cause an undue financial hardship, provided the number of the students does not exceed 10 percent of the total enrollment. The board may limit accordingly the participation of a student in the activities financed by the fee so waived.

(f) If the total compulsory fee charged under this section is more than \$150, the increase does not take effect unless the increase is approved by a majority vote of the students voting in an election held for that purpose or by a majority vote of the student government at the institution. In subsequent years, an election authorizing a fee increase must be held before the fee can be increased by more than 10 percent of the fee approved at the last student election.

(g) If a student registers at more than one institution of higher education within a college or university system under concurrent enrollment provisions of joint or cooperative programs between institutions, the student shall pay all compulsory student services fees to the institution designated as the home institution under the joint or cooperative program. The governing board of the college or university system may waive the payment of all compulsory student services fees at the other institution or institutions.

(h) Except for Subsection (g) of this section, this section does not apply to The University of Texas at Austin or a component institution of the University of Houston System.

(i) General revenue appropriations, other educational and general income, and funds appropriated under Article VII, Section 17 or 18, of the Texas Constitution may be expended on a proportional use basis to support the services, activities, and facilities provided for in this section to the extent that the use of such funds is not otherwise restricted by the Texas Constitution or general law.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1973, 63rd Leg., p. 1759, ch. 641, Sec. 2, eff. Aug. 27, 1973; Acts 1979, 66th Leg., p. 1872, ch. 756, Sec. 1, 2, eff. Sept. 1, 1979; Acts 1983, 68th Leg., p. 2060, ch. 378, Sec.

2; Acts 1983, 68th Leg., p. 2062, ch. 379, Sec. 1, eff. Aug. 29, 1983; Acts 1987, 70th Leg., ch. 410, Sec. 1, eff. Aug. 31, 1987; Acts 1987, 70th Leg., ch. 901, Sec. 6, eff. Aug. 31, 1987; Acts 1989, 71st Leg., ch. 584, Sec. 99, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 844, Sec. 1, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 848, Sec. 1, eff. Aug. 26, 1991; Acts 1999, 76th Leg., ch. 288, Sec. 1, eff. May 29, 1999; Acts 2001, 77th Leg., ch. 879, Sec. 1, eff. June 14, 2001.

Sec. 54.5031. STUDENT FEE ADVISORY COMMITTEE. (a) A student fee advisory committee is established at each institution of higher education except The University of Texas at Austin to advise the governing board and administration of the institution on the type, amount, and expenditure of compulsory fees for student services under Section 54.503 of this code.

(b) Each committee is composed of the following nine members:

(1) five student members who are enrolled for not less than six semester credit hours at the institution and who are representative of all students enrolled at the institution, selected under Subsection (c) of this section; and

(2) four members who are representative of the entire institution, appointed by the president of the institution.

(c) If the institution has a student government, the student government shall appoint three students to serve two-year terms on the committee and two students to serve one-year terms on the committee. If the institution does not have a student government, the students enrolled at the institution shall elect three students to serve two-year terms on the committee and two students to serve one-year terms on the committee. A candidate for a position on the committee must designate whether the position is for a one-year or two-year term.

(d) A student member of the committee who withdraws from the institution must resign from the committee.

(e) A vacancy in an appointive position on the committee shall be filled for the unexpired portion of the term in the same manner as the original appointment. A vacancy in an elective position on the committee shall be filled for the unexpired portion of the term by appointment by the president of the institution.

(f) The committee shall:

(1) study the type, amount, and expenditure of a compulsory fee under Section 54.503 of this code; and

(2) meet with appropriate administrators of the institution, submit a written report on the study under Subdivision (1) of this subsection, and recommend the type, amount, and expenditure of a compulsory fee to be charged for the next academic year.

(g) Before recommending the student fee budget to the governing board of the institution, the president of the institution shall consider the report and recommendations of the committee. If the president's recommendations to the governing board are substantially different from the committee's recommendations to the president, the administration of the institution shall notify the committee not later than the last date on which the committee may request an appearance at the board meeting. On request of a member of the committee, the administration of the institution shall provide the member with a written report of the president's recommendations to the board. Added by Acts 1991, 72nd Leg., ch. 844, Sec. 2, eff. Aug. 26, 1991.

Sec. 54.5035. WAIVER OF FEES. (a) Except as provided by Subsection (c), the governing board of an institution of higher education may waive a mandatory or discretionary fee for a student if the board determines that the student is not reasonably able to participate in or use the activity, service, or facility for which the fee is charged.

(b) Except as provided by Subsection (c), the governing board of an institution of higher education may waive a mandatory or discretionary fee for a specific category of students if the board determines that the waiver is in the best interest of the institution or is critical to the viability of an academic initiative.

(c) The governing board must ensure that a waiver under this section does not result in the institution's inability to service a debt to which revenue from the fee is obligated or to support an activity, service, or facility for which the fee is charged.

(d) This section does not permit the governing board to

waive payment of tuition or laboratory fees.

(e) The governing board may limit or prohibit a student's participation in or use of an activity, service, or facility supported by a fee that is waived for the student under this section.

Added by Acts 1999, 76th Leg., ch. 367, Sec. 1, eff. Sept. 1, 1999.

Sec. 54.504. INCIDENTAL FEES. (a) The governing board of an institution of higher education may fix the rate of incidental fees to be paid to an institution under its governance by students and prospective students and may make rules for the collection of the fees and for the distribution of the funds, such funds to be accounted for as other designated funds. The rate of an incidental fee must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected. In fixing such rate, the governing board may consult with a student fee advisory committee which the governing board may establish if such student committee does not presently exist.

(b) The board shall publish in the general catalog of the university a description of the amount of each fee to be charged.

(c) In this section, "incidental fees" includes, without limitation, such fees as late registration fees, library fines, microfilming fees, thesis or doctoral manuscript reproduction or filing fees, bad check charges, application processing fees, and laboratory breakage charges, but does not include a fee for which a governing board makes a charge under the authority of any other provision of law.

Added by Acts 1985, 69th Leg., ch. 292, Sec. 1, eff. Aug. 26, 1985.

Sec. 54.505. VEHICLE REGISTRATION FEES AND OTHER FEES RELATED TO PARKING AND TRAFFIC. (a) The governing board of each institution of higher education may charge a reasonable fee to students, faculty, and staff for registration of a vehicle under Section 51.202 of this code.

(b) The governing board may fix and collect a reasonable fee or fees for the provision of facilities and the enforcement and administration of parking and traffic regulations approved by the board for an institution; provided, however, that no such fee may be charged to a student unless the student desires to use the facilities.

Added by Acts 1979, 66th Leg., p. 146, ch. 78, Sec. 1, eff. April 26, 1979. Amended by Acts 1987, 70th Leg., ch. 901, Sec. 7, eff. Aug. 31, 1987.

Sec. 54.506. FEES AND CHARGES FOR SERVICES TO THE PUBLIC; THE UNIVERSITY OF HOUSTON SYSTEM. A schedule of minimum fees and charges shall be established by the board of regents of the University of Houston System for services performed by any department of a component institution for students and the public. The schedule shall conform to the fees and charges customarily made for like services in the community. By way of example, but not as a limitation, are services of the hearing clinic, optometry clinic, reading clinic, and data processing and computing center.

Renumbered from V.T.C.A., Education Code Sec. 111.40 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 8, eff. Aug. 31, 1987. Amended by Acts 1995, 74th Leg., ch. 823, Sec. 6, eff. Aug. 28, 1995.

Sec. 54.5061. STUDENT SERVICES FEES; THE UNIVERSITY OF HOUSTON SYSTEM. (a) In this section:

(1) "Student services" includes textbook rentals; recreational activities; health, hospital, and other medical services; group hospitalization; intramural and intercollegiate athletics; artists and lecture series and other cultural entertainment; debating and oratorical activities; student publications; student government; student fees advisory committees; student transportation services; and any other student activities and services specifically authorized and approved by the board; provided, however, that nothing herein shall affect the setting and collection of any other fee which may be charged under the specific authority of any other section of this code.

(2) "Compulsory fee" means a fee that is charged to all students enrolled at the component institution.

(3) "Voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

(b) Subject to Section 54.5062 of this code and Subsections (h) and (i) of this section, the Board of Regents of the University of Houston System may charge and collect from students registered

at each component institution of the University of Houston System fees to cover the cost of student services that the board considers necessary or desirable in carrying out the educational functions of each university. The governing board of the system is not required to set uniform fees or rates for component institutions.

(c) The board may make fees for a particular student service voluntary or compulsory.

(d) Any compulsory fees for student services charged under this section shall be assessed in proportion to the number of semester credit hours for which a student registers unless the rate of such fee is specifically established by law or authority and approval of the board to be a minimum amount to be charged to each student for any semester or summer term.

(e) Money collected as fees for student services shall be:

(1) reserved and accounted for in an account kept separate from educational and general funds of the university;

(2) used only for the support of student services;

(3) used only after the compulsory fees to be included in the student services fees budget have been considered as provided in this subchapter; and

(4) placed in a depository bank designated by the board and secured as provided by law.

(f) Each year the board shall approve for each university a separate budget for student activities and services financed by fees authorized by this section. The budget shall show the fees to be assessed, the purpose for which the fees will be used or the functions to be financed, the estimated income to be derived, and the proposed expenditures to be made. Copies of the budget shall be filed annually with the coordinating board, the governor, the Legislative Budget Board, and the state library.

(g) If payment of any compulsory fees authorized by this section would cause an undue financial hardship on a student, the board may waive all or part of the compulsory fees for that student. The number of students granted a waiver under this subsection may not exceed 10 percent of the total enrollment of the university. The board may limit the participation of a student in the activities financed by the fees waived in proportion to the extent of the waiver.

(h) If, in an academic year, the total compulsory fees charged under this section are more than 10 percent higher than the previous year's compulsory fees, the increase is not effective unless approved by a majority vote of the students voting in an election called for that purpose or by a majority vote of the duly elected student government.

(i) The total of all compulsory fees charged under this section to students for any semester or summer session may not exceed \$150, unless prior approval has been granted by a majority vote of the students voting in an election called for that purpose or by a majority vote of the duly elected student government.

(j) General revenue appropriations, other educational and general income, and funds appropriated under Article VII, Section 17, of the Texas Constitution, may be expended on a proportional use basis to support the services, activities, and facilities provided for in this section to the extent that the use of such funds is not otherwise restricted by the constitution or general law.

(k) This section does not affect any special fees, including general use fees, that the legislature has authorized to finance revenue bond issues or any other fees authorized by law.

Added by Acts 1991, 72nd Leg., ch. 848, Sec. 2, eff. Aug. 26, 1991.

Sec. 54.5062. STUDENT FEES ADVISORY COMMITTEE; THE UNIVERSITY OF HOUSTON SYSTEM. (a) A student fees advisory committee is established at each component institution of the University of Houston System to advise the board of regents, presidents, and administration of the University of Houston System on the type, level, and expenditure of compulsory fees for student services collected at each component institution of the system under Section 54.5061 of this code. Each committee is composed of nine members.

(b) Five of the members of each student fees advisory committee shall be student members. The student members shall be generally representative of the student body and be enrolled in not less than six semester hours at the university. If a student government exists, the student members shall be selected by the student government of the university. The student members shall be selected and designated as appropriate so that three members of the

committee are serving terms of two years, and two members are serving terms of one year. If a student government does not exist, the students shall be elected by the students enrolled in the university. At each election, the appropriate number of students shall be elected for terms of appropriate length so that three are serving terms of two years, and two are serving terms of one year. Candidates shall file for either a one-year or a two-year position.

(c) The four remaining members of the student fees advisory committee shall be appointed by the president of the university and shall be generally representative of the total university community. Each member appointed by the president serves for a term of one year but may be reappointed.

(d) A student member who ceases to be a student may not continue to hold a student membership position. If a student vacancy occurs, the student government shall appoint a new member to serve for the remainder of the unexpired term. In the absence of student government or if the vacancy is in a position appointed by the president, the president of the university shall appoint a new member to serve for the remainder of the term.

(e) The committee shall conduct appropriate inquiry into the type, level, and expenditure of any compulsory fees to be charged under Section 54.5061 of this code and into the expenditure of money generated from those fees. The committee shall then meet with appropriate members of the university administration to submit a report recommending the type, level, and expenditure of compulsory fees to be charged to students in the academic year beginning with the following fall semester.

(f) The president shall duly consider the recommendations of the student fees advisory committee during the annual budgetary process. If the president's recommendations to the board of regents are substantially different from those of the student fees advisory committee, the administration shall so notify the student fees advisory committee. Such notification shall be in sufficient time for the committee to request an appearance at the board of regents meeting during which the president's recommendations will be considered. The administration shall provide to a student member designated by the student members of the committee, on that student member's request, the most recent and complete recommendations of the president to the board.

Added by Acts 1991, 72nd Leg., ch. 848, Sec. 3, eff. Aug. 26, 1991.

Sec. 54.507. GROUP HOSPITAL AND MEDICAL SERVICES FEES; TEXAS A & M UNIVERSITY SYSTEM. (a) The Board of Regents of The Texas A & M University System may levy and collect from each student at any institution of higher education which is a part of The Texas A & M University System a compulsory group hospital and medical services fee not to exceed \$75 for each regular semester and not to exceed \$25 for each term of each summer session. The compulsory group hospital and medical services fee may not be levied unless the levy of the fee has been approved by a majority vote of those students at the affected institution participating in a general student election called for that purpose.

(b) In addition to the fee authorized under Subsection (a) of this section, the Board of Regents of The Texas A & M University System may levy and collect from each student registered at Prairie View A & M University a supplemental group hospital and medical services fee not to exceed \$30 for each regular semester and not to exceed \$12.50 for each term of the summer session. The supplemental group hospital and medical services fee may not be levied unless the levy of the fee has been approved by a majority vote of the students registered at Prairie View A & M University participating in a general election called for that purpose.

(c) A fee levied under this section at a component institution of The Texas A & M University System may be used only to provide hospital or other medical services to students registered at that component institution.

(d) If, in an academic year, the total compulsory fee charged under this section is more than 10 percent higher than the compulsory fee charged under this section for the previous academic year, the increase does not take effect unless the increase is approved by a majority vote of the students voting in an election held for that purpose.

(e) If, in an academic year, the total compulsory fee charged under this section is proposed to be increased by an amount less than 10 percent over that charged in the previous academic year, the Board of Regents of The Texas A & M University System may,

in lieu of an election, hold a public meeting on the increase prior to its taking effect in which students have the opportunity to comment.

(f) An election under this section must also permit the students to vote on whether hospital and medical services should be provided to students at the institution by the institution or by a private entity. The vote by the students on the responsibility for provision of hospital and medical services to students at the institution is not binding on the institution.

Added by Acts 1973, 63rd Leg., p. 546, ch. 232, Sec. 1, eff. Aug. 27, 1973. Renumbered from V.T.C.A., Education Code Sec. 86.24 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 9, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 914, Sec. 1, eff. June 14, 1989; Acts 1993, 73rd Leg., ch. 990, Sec. 1, eff. June 19, 1993; Acts 1995, 74th Leg., ch. 757, Sec. 1, eff. June 16, 1995.

Sec. 54.508. MEDICAL SERVICES FEE; TEXAS TECH UNIVERSITY SYSTEM COMPONENTS. (a) The board of regents of the Texas Tech University System may charge each student registered at a component institution of the Texas Tech University System a medical services fee not to exceed \$100 for each semester of the regular term or 12-week summer session and not to exceed \$50 for each six-week or shorter term of the summer session.

(b) Before charging a medical services fee, the board must give students and administrators an opportunity to offer recommendations to the board as to the type and scope of medical services that should be provided.

(c) A medical services fee charged under this section may be used only to provide medical services to students enrolled at a component institution of the Texas Tech University System.

(d) A medical services fee charged under this section is in addition to any other fee the board is authorized by law to charge.

(e) The board may not increase the amount of the medical services fee charged at a component institution of the Texas Tech University System by more than 10 percent from one academic year to the next unless the increase is approved by a majority of the students of the institution voting in a general student election held for that purpose.

Added by Acts 1983, 68th Leg., p. 3860, ch. 608, Sec. 1, eff. June 19, 1983. Renumbered from V.T.C.A., Education Code Sec. 109.52 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 10, eff. Aug. 31, 1987. Amended by Acts 1991, 72nd Leg., ch. 166, Sec. 1, eff. Aug. 26, 1991; Acts 2001, 77th Leg., ch. 100, Sec. 1, eff. May 11, 2001.

Sec. 54.5081. MEDICAL SERVICES FEE; UNIVERSITY OF NORTH TEXAS SYSTEM INSTITUTIONS. (a) The board of regents of the University of North Texas System may charge each student registered at a component institution of the University of North Texas System a medical services fee not to exceed \$75 for each semester of the regular term or 12-week summer session and not to exceed \$37.50 for each six-week or shorter term of the summer session.

(b) Before charging a medical services fee at a component institution, the board must give students and administrators an opportunity to offer recommendations to the board as to the type and scope of medical services that should be provided.

(c) The board may not increase the amount of the medical services fee charged at a component institution by more than 10 percent from one academic year to the next unless the amount of the increase is approved by a majority of the students at the institution voting in a general election held at the institution for that purpose.

(d) A medical services fee charged at a component institution of the University of North Texas System under this section may be used only to provide medical services to students registered at that component institution.

(e) The fee imposed under this section may not be considered in determining the maximum student services fee that may be charged students enrolled at a component institution of the University of North Texas System under Section 54.503(b).

(f) Expired.

Added by Acts 1991, 72nd Leg., ch. 856, Sec. 1, eff. Aug. 26, 1991. Amended by Acts 2001, 77th Leg., ch. 383, Sec. 1, eff. May 28, 2001.

Sec. 54.5082. MEDICAL SERVICES FEE; MIDWESTERN STATE UNIVERSITY. (a) The board of regents of Midwestern State University may charge each student registered at the university a medical services fee not to exceed \$30 for each semester of the regular term or 12-week summer session and not to exceed \$15 for

each six-week or shorter term of the summer session.

(b) The board may not impose a fee under this section or increase the amount of the fee by more than 10 percent in any academic year unless the imposition or increase has been approved by a majority vote of the students at the institution participating in an election called for that purpose.

(c) Revenue from a fee imposed under this section may be used only to provide medical services to students at the university.

(d) A fee imposed under this section is in addition to any other fee the board is authorized by law to impose.

Added by Acts 1999, 76th Leg., ch. 99, Sec. 1, eff. May 17, 1999.

Sec. 54.5085. MEDICAL SERVICES FEE; TEXAS WOMAN'S UNIVERSITY. (a) The board of regents of Texas Woman's University may charge each student registered at the university a medical services fee not to exceed \$55 for each semester of the regular term or 12-week summer session and not to exceed \$25 for each six-week or shorter term of the summer session.

(b) Before the board imposes or increases a fee under this section, the board shall consider the recommendations of a student fee advisory committee established by the president of the university. A majority of the members of the advisory committee must be students appointed by the presiding officer of the student governing body and the remainder of the members must be appointed by the president of the university. The board may increase the amount of the fee by an amount that is more than 10 percent of the amount imposed in the preceding academic year only if that increase is approved by a majority vote of those students of the university participating in a general election called for that purpose.

(c) A medical services fee charged under this section may be used only to provide medical services to students registered at the university.

(d) A medical services fee charged under this section is in addition to any other fee the board is authorized by law to charge.

Added by Acts 1991, 72nd Leg., ch. 844, Sec. 3, eff. Aug. 26, 1991.

Amended by Acts 2001, 77th Leg., ch. 384, Sec. 1, eff. May 28, 2001.

Sec. 54.5089. MEDICAL SERVICES FEE; TEXAS STATE UNIVERSITY SYSTEM COMPONENTS. (a) The board of regents of the Texas State University System may charge each student registered at a component institution of the Texas State University System a medical services fee not to exceed \$100 for each semester of the regular term or summer session of 12 weeks or longer and not to exceed \$50 for each summer session of less than 12 weeks.

(b) Before charging a medical services fee, the board must give students and administrators an opportunity to offer recommendations to the board as to the type and scope of medical services that should be provided.

(c) A medical services fee charged at a component institution of the Texas State University System may be used only to provide medical services to students registered at that component institution.

(d) A medical services fee charged under this section is in addition to any other fee the board is authorized by law to charge and may not be considered in determining the maximum student services fee that may be charged students enrolled at a component institution of the Texas State University System under Section 54.503(b) of this code.

(e) Not more than once in an academic year, the board may increase the fee authorized by this section. Any increase in the fee of more than 10 percent must be approved by a majority vote of those students participating in a general student election called for that purpose.

Added by Acts 1993, 73rd Leg., ch. 990, Sec. 2, eff. June 19, 1993.

Amended by Acts 2003, 78th Leg., ch. 598, Sec. 1, eff. June 20, 2003.

Sec. 54.50891. MEDICAL SERVICES FEE; THE UNIVERSITY OF TEXAS SYSTEM COMPONENTS. (a) The board of regents of The University of Texas System may charge each student registered at a component institution of The University of Texas System a medical services fee not to exceed \$55 for each semester or term. If approved by a majority vote of those students participating in a general election held at the institution for that purpose, the maximum amount of the medical services fee that may be charged at a component institution is increased to the amount stated on the ballot proposition, not to exceed \$75 for each semester or term. Approval at the election of

an increase in the maximum amount of the fee that may be charged at a component institution does not affect the application of Subsection (e) to an increase in the amount of the fee actually charged at that institution from one academic year to the next.

(b) Before charging a medical services fee, the board must give students and administrators an opportunity to offer recommendations to the board as to the type and scope of medical services that should be provided. Before increasing the amount of the medical services fee at The University of Texas at Austin, a medical services fee committee, a majority of the members of which must be students of the university, must approve the fee increase.

(c) A medical services fee charged at a component institution of The University of Texas System may be used only to provide medical services to students registered at that component institution.

(d) A medical services fee charged under this section is in addition to any other fee the board is authorized by law to charge and may not be considered in determining the maximum student services fee that may be charged students enrolled at a component institution of The University of Texas System.

(e) The board may not increase the amount of the fee charged at a component institution of The University of Texas System by more than 10 percent from one academic year to the next unless the increase is approved by a majority of the students of the institution voting in a general election held at the institution for that purpose.

(f) The board shall prorate the amount of a fee charged to a student under this section based on the length of the semester or term for which the student is enrolled.

Added by Acts 1993, 73rd Leg., ch. 990, Sec. 3, eff. June 19, 1993. Amended by Acts 1999, 76th Leg., ch. 1558, Sec. 2, eff. June 19, 1999.

Sec. 54.509. STUDENT RECREATION FEE; TEXAS TECH UNIVERSITY SYSTEM COMPONENTS. (a) If approved by student vote, the board of regents of the Texas Tech University System may charge each student enrolled at a component institution of the Texas Tech University System a recreation fee not to exceed \$100 per semester or \$50 per six-week summer term to be used to purchase equipment for and to operate and maintain the student recreation facilities and programs at the institution.

(b) The fee may not be increased by more than 10 percent from one academic year to the next unless the increase is approved by a majority of students voting on the issue in a general student election called for that purpose.

(c) The university shall collect the student recreation fee and shall deposit the money collected in an account known as the Student Recreation Account.

(d) The student recreation fee is not counted in determining the maximum student services fee which may be charged under Section 54.503.

Added by Acts 1979, 66th Leg., p. 235, ch. 122, Sec. 1, eff. Aug. 27, 1979. Renumbered from V.T.C.A., Education Code Sec. 109.51 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 11, eff. Aug. 31, 1987. Amended by Acts 2001, 77th Leg., ch. 100, Sec. 1, eff. May 11, 2001.

Sec. 54.5091. STUDENT RECREATIONAL FACILITY FEE; UNIVERSITY OF NORTH TEXAS. (a) If approved by a majority vote of those students participating in a general election held at the university for that purpose, the board of regents of the University of North Texas may impose a recreational facility fee on each student enrolled in the university in an amount not to exceed \$75 per student for each semester of the regular term or 12-week summer session and not to exceed \$37.50 per student for each six-week or shorter term of the summer session. The fee may be used only for constructing, operating, maintaining, improving, and equipping a recreational facility or program at the university.

(b) Revenue from a fee imposed under this section shall be deposited to the credit of an account known as the "University of North Texas recreational facility fee account" under the control of the student fee advisory committee established under Section 54.5031.

(c) The student fee advisory committee annually shall submit to the board of regents a complete and itemized budget for the recreational facility with a complete report of all recreational facility activities conducted during the past year and

all expenditures made in connection with those activities. The board may make changes in the budget that the board determines are necessary. After approving the budget, the board, in accordance with this section, may impose the recreational facility fees for that year in amounts sufficient to meet the budgetary needs of the recreational facility. If the budget approved by the board contains an expenditure for the construction of a facility, the board may contract for the construction of the facility.

(d) The board may not increase the amount of the recreational facility fee by more than 10 percent in any academic year unless the amount of the increase is approved by a majority of the students participating in a general election held at the university for that purpose.

(e) A fee imposed under this section is in addition to any other use or service fee authorized to be imposed.

(f) A fee imposed under this section may not be considered in determining the maximum student services fees that may be imposed under Section 54.503(b).

Added by Acts 2001, 77th Leg., ch. 382, Sec. 1, eff. Sept. 1, 2001.

Sec. 54.510. STUDENT RECREATIONAL SPORTS FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge each student enrolled in The University of Texas at Austin a recreational sports fee not to exceed \$20 a semester or 12-week summer session or \$10 a six-week summer session. The fee may be used only for financing, constructing, operating, maintaining, and improving recreational sports facilities and programs at the university.

(b) A fee may not be imposed under this section until the semester in which a campus recreational sports facility will be available for use.

(c) The university shall collect any student recreational sports fee imposed under this section and shall deposit the money collected in an account to be known as the student recreational sports account. A recreational sports fee may not be collected after the 20th anniversary of the date it is first collected, or after all bonded indebtedness for any campus recreational sports facility for which the fee receipts are pledged is paid, whichever is later.

(d) A student recreational sports fee imposed under this section is not counted in determining the maximum student services fee which may be charged under Section 54.513 of this subchapter.

Added by Acts 1985, 69th Leg., ch. 239, Sec. 85, eff. Sept. 1, 1985. Renumbered from V.T.C.A., Education Code Sec. 67.213 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 12, eff. Aug. 31, 1987.

Sec. 54.511. STUDENT FEES FOR BUS SERVICE; TEXAS STATE UNIVERSITY SYSTEM. (a) The board of regents of the Texas State University System may charge each student enrolled at Texas State University--San Marcos a fee initially set at \$10 per semester or \$5 per six-week summer term to be used to finance bus service for students attending the institution.

(b) Not more than once in an academic year, the board may increase the fee authorized in Subsection (a) of this section for the purpose of covering increased operating costs of the bus service. Any increase in the fee must be approved by a majority vote of those students participating in a general election called for that purpose. However, the total fee may not exceed \$100 per semester or \$50 per summer term of six weeks or less.

(c) The fee for student bus service shall not be counted in determining the maximum student service fees which may be charged pursuant to the provisions of Section 54.503 of this code.

(d) The university shall hold in reserve any fee revenue that exceeds the amount necessary to meet the operating expenses of the bus service and shall apply that revenue only to future operating expenses of the bus service.

Added by Acts 1975, 64th Leg., p. 1233, ch. 458, Sec. 1, eff. Sept. 1, 1975. Amended by Acts 1981, 67th Leg., p. 82, ch. 43, Sec. 1. Renumbered from V.T.C.A., Education Code Sec. 96.42 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 13, eff. Aug. 31, 1987. Amended by Acts 1991, 72nd Leg., ch. 289, Sec. 1, eff. Aug. 26, 1991; Acts 1999, 76th Leg., ch. 625, Sec. 1, eff. June 18, 1999; Acts 2003, 78th Leg., ch. 386, Sec. 3, 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 598, Sec. 2, 3, eff. June 20, 2003..

Sec. 54.5111. ENVIRONMENTAL SERVICE FEE; SOUTHWEST TEXAS STATE UNIVERSITY. (a) The board of regents of the Texas State University System may charge each student enrolled at Southwest

Texas State University an environmental service fee in an initial amount not to exceed \$1 per semester of the regular term or term of the summer session. The fee may not be imposed unless approved by a majority vote of the students at the university voting in an election held for that purpose at the same time and using the same ballot as a student government election.

(b) Not more than once in an academic year, the board of regents may increase the amount of the fee authorized by this section to cover increased operating costs of environmental services funded from revenue from the fee. The board may not increase the amount of the fee unless the increase is approved by a majority vote of the students at the university voting in an election held for that purpose in which at least 1,000 students at the university cast ballots and that is held at the same time and using the same ballot as a student government election. The total amount of the increased fee may not exceed:

(1) \$6 per student for each regular semester or for each term of the summer session not covered by Subdivision (2); or

(2) \$3 per student for each six-week or shorter term of the summer session.

(c) A fee imposed under this section may be used only to provide environmental improvements at the university through services such as recycling, transportation, employment, product purchasing, matching funds for grants, planning and maintenance, and irrigation.

(d) The university may not use revenue from the fee imposed under this section to reduce or replace other money allocated by the university for environmental projects.

(e) The university shall retain any fee revenue that exceeds the amount necessary to cover current operating expenses for environmental services and any interest generated from that revenue. The university may use the excess revenue and interest generated from that revenue only for the purposes provided by Subsection (c).

Added by Acts 2003, 78th Leg., ch. 1305, Sec. 1, eff. June 21, 2003.

Sec. 54.512. SHUTTLE BUS FEE; THE UNIVERSITY OF TEXAS AT ARLINGTON. (a) The board of regents of The University of Texas System may levy a shuttle bus fee not to exceed \$10 per student for each regular semester and not to exceed \$5 per student for each term of the summer session, for the sole purpose of financing shuttle bus service for students attending The University of Texas at Arlington. The fees herein authorized to be levied are in addition to any use fee or service fee now or hereafter authorized to be levied. However, no fee may be levied unless the fee is approved by a majority vote of those students participating in a general election called for that purpose.

(b) Such fees shall be deposited to an account known as "The University of Texas at Arlington Shuttle Bus Fee Account" and shall be expended in accordance with a budget submitted to and approved by the board of regents. The board of regents shall make such changes in the budget as it deems necessary before approving the budget, and shall then levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budget as approved.

Added by Acts 1977, 65th Leg., p. 833, ch. 309, Sec. 2, eff. Aug. 29, 1977. Renumbered from V.T.C.A., Education Code Sec. 68.05 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 14, eff. Aug. 31, 1987.

Sec. 54.5121. INTERCOLLEGIATE ATHLETIC FEE; THE UNIVERSITY OF TEXAS AT ARLINGTON. (a) The board of regents of The University of Texas System may impose a mandatory intercollegiate athletics fee at The University of Texas at Arlington. The amount of the fee may not exceed \$7.75 per semester credit hour for each regular semester, unless increased as provided by Subsection (b). The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held for that purpose.

(b) The amount of the fee per semester credit hour may be increased from one academic year to the next only if approved by a majority vote of the students participating in a general student election held for that purpose or, if the amount of the increase does not exceed five percent, by the legislative body of the student government of the university.

(c) The board of regents may prorate the amount of the fee for a summer session.

(d) The fee imposed under this section may not be considered

in determining the maximum student services fees that may be imposed under Section 54.503.

(e) Expired.

Added by Acts 1999, 76th Leg., ch. 525, Sec. 1, eff. June 18, 1999.

Sec. 54.5122. RECREATIONAL FACILITY FEE; THE UNIVERSITY OF TEXAS AT ARLINGTON. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Arlington a recreational facility fee to finance, construct, renovate, improve, equip, or maintain recreational facilities or to operate recreational programs at the university.

(b) The fee may not be imposed unless the fee is approved by a majority vote of the students participating in a general student election called for that purpose.

(c) The initial amount of a fee imposed under this section may not exceed:

(1) \$9 per student for a regular semester;
(2) \$6 per student for a summer session of 10 weeks or more;

(3) \$4 per student for a summer session of eight weeks or more but less than 10 weeks; and

(4) \$3 per student for a summer session of less than eight weeks.

(d) Subject to Subsection (e), the board of regents may increase the amount of a fee imposed under this section from one academic year to the next with the approval of the legislative body of the student government of The University of Texas at Arlington, except that an increase in the amount of a fee from one academic year to the next of more than 10 percent must be approved by a majority vote of the students voting in a general student election called for that purpose.

(e) The amount of a fee imposed under this section may not exceed:

(1) \$75 per student for a regular semester;
(2) \$50 per student for a summer session of 10 weeks or more;

(3) \$35 per student for a summer session of eight weeks or more but less than 10 weeks;

(4) \$25 per student for a summer session of less than eight weeks; and

(5) \$10 per student for a summer session of less than three weeks for a student who was not enrolled at the university for the preceding regular semester.

(f) After approval of the imposition of a fee under this section at a student election under Subsection (b), the president of The University of Texas at Arlington shall appoint a recreational facility student advisory committee. The committee shall advise the president regarding the administration and allocation of the revenue from the fee to support recreational facilities on the university campus.

(g) The board of regents shall deposit the revenue from a fee imposed under this section in an account known as the recreational facility fee account.

(h) The board of regents may pledge revenue from a fee imposed under this section to pay an obligation issued under the revenue financing system of The University of Texas System.

(i) A fee imposed under this section is not considered in determining the maximum amount of student services fees that may be charged at The University of Texas at Arlington under Section 54.503.

(j) The board of regents may permit a person who is not enrolled at The University of Texas at Arlington to use a facility financed with revenue from a fee imposed under this section if:

(1) the person's use of the facility will not materially interfere with the use of the facility by students of the university;

(2) the person is charged a fee for using the facility that is not less than the student fee and that is not less than the direct and indirect cost to the university of providing for the person's use; and

(3) the person's use will not materially increase the potential liability of the university.

Added by Acts 2001, 77th Leg., ch. 181, Sec. 1, eff. May 18, 2001.

Sec. 54.513. STUDENT SERVICE FEES; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) In this section:

(1) "student services" includes textbook rentals;

recreational activities; health, hospital, and other medical services; group hospitalization; automobile parking privileges; intramural and intercollegiate athletics; artists and lecture series and other cultural entertainment; debating and oratorical activities; student publications; student government; student fees advisory committee; student transportation services; and any other student activities and services specifically authorized and approved by the board; the term does not include services for which a fee may be charged under the specific authority of any other section of this code;

(2) "compulsory fee" means a fee that is charged to all students enrolled in the university; and

(3) "voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

(b) Subject to Section 54.514 of this subchapter and subsections (j) and (k) of this section, the board of regents of The University of Texas System may charge and collect from students registered at The University of Texas at Austin fees to cover the cost of student services that the board considers necessary or desirable in carrying out the educational functions of the university.

(c) The board may make fees for a particular student service voluntary or compulsory.

(d) Except for fees allocated for hospital and health services, any compulsory fees for student services charged under this section shall be assessed in proportion to the number of semester credit hours for which a student registers.

(e) No portion of the compulsory fees collected may be expended for parking services or facilities except as related to providing shuttle bus services.

(f) Money collected as fees for student services shall be:

(1) reserved and accounted for in an account kept separate from educational and general funds of the university;

(2) used only for the support of student services;

(3) used only after the compulsory fees to be included in the student service fees budget have been considered as provided by Section 54.514 of this subchapter; and

(4) placed in a depository bank designated by the board and secured as provided by law.

(g) Each year the board shall approve for the university a separate budget for student activities and services financed by fees authorized by this section. The budget must show the fees to be assessed, the purpose for which the fees will be used or the functions to be financed, the estimated income to be derived, and the proposed expenditures to be made. Copies of the budget shall be filed annually with the coordinating board, the governor, the Legislative Budget Board, and the state library.

(h) If payment of any compulsory fees authorized by this section would cause an undue financial hardship on a student, the board may waive all or part of the compulsory fees for that student. The number of students granted a waiver under this subsection may not exceed 10 percent of the total enrollment of the university. The board may limit the participation of a student in the activities financed by the fees waived in proportion to the extent of the waiver.

(i) If the total compulsory fee charged under this section is more than \$150, the increase does not take effect unless the increase is approved by a majority vote of the students voting in an election held for that purpose or by a majority vote of the duly elected student government. In subsequent years, an election authorizing a fee increase must be held before the fee can be increased by more than 10 percent of the fee approved at the last student election.

(j) The total of all compulsory fees charged under this section to students for any semester or summer session may not exceed \$250.

(k) General revenue funds appropriated for the element of cost "physical plant operation or maintenance" may be used to support the services and activities provided for in this section:

(1) if the service or activity supported from the fees is not intercollegiate athletics or is not also appropriately classified as any other auxiliary enterprise that charges a fee directly related to the cost of the service under the criteria outlined in College and University Business Administration, Fourth

Edition (1982), published by the National Association of College and University Business Officers; or

(2) when the service or activity takes place in or on a facility the substantial use of which has been dedicated by the board for educational and general activities.

(1) This section does not affect any special fees, including building use fees, that the legislature has authorized to finance revenue bond issues or any other fees specifically authorized by law.

Added by Acts 1983, 68th Leg., p. 2055, ch. 378, Sec. 1. Renumbered from V.T.C.A., Education Code Sec. 67.211 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 15, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 584, Sec. 107, eff. Sept. 1, 1989; Acts 1989, 71st Leg., ch. 910, Sec. 7; Acts 2001, 77th Leg., ch. 879, Sec. 2, eff. June 14, 2001.

Sec. 54.5131. INTERNATIONAL EDUCATION FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge and collect from students registered at The University of Texas at Austin a fee of \$2 if approved by the students in a student referendum for any semester or summer session. The fee may be increased to an amount not to exceed \$4 if approved by the students in a student referendum. The fee may be used only for funding an international education program to be used to assist students participating in international student exchange or study programs.

(b) The fund shall be used in accordance with guidelines jointly developed by The University of Texas at Austin Student Association and the administration of The University of Texas at Austin.

(c) The international education financial aid fee imposed under this section shall not count in determining the maximum student services fee which may be charged the students of The University of Texas at Austin under this chapter.

Added by Acts 1989, 71st Leg., ch. 910, Sec. 9. Amended by Acts 1997, 75th Leg., ch. 1073, Sec. 1.10, eff. Aug. 1, 1997.

Sec. 54.5132. INTERNATIONAL EDUCATION FEE. (a) The governing board of an institution of higher education, other than The University of Texas at Austin, may charge and collect from students registered at the institution a fee in an amount not less than \$1 and not more than \$4 for each semester or summer session. The amount of the fee may be increased only if the increase is approved by a majority vote of the students at the institution participating in an election called for that purpose.

(b) Fees collected under this section shall be deposited in the institution's international education financial aid fund, a fund outside the state treasury. Money in the fund may be used only to assist students participating in international student exchange or study programs.

(c) The international education financial aid fund shall be used in accordance with guidelines jointly developed by the student governing body of the institution and the administration of the institution. If an institution does not have a student governing body, the president may appoint a committee of students to assist with the development of the guidelines.

(d) The fee imposed under this section may not be considered in determining the maximum student services fee that may be charged students enrolled at the institution under Section 54.503(b) of this code.

Added by Acts 1991, 72nd Leg., ch. 844, Sec. 4, eff. Aug. 26, 1991. Amended by Acts 2001, 77th Leg., ch. 1086, Sec. 1, eff. June 15, 2001.

Sec. 54.5133. MARTIN LUTHER KING, JR., STATUE FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge and collect from students registered at The University of Texas at Austin a fee of \$1 for any semester or summer session. The fee shall be used for funding the construction of a Martin Luther King, Jr., statue on the campus of The University of Texas at Austin and to establish Martin Luther King, Jr., student scholarships.

(b) Any funds raised in excess of the cost of the construction of the Martin Luther King, Jr., statue shall be used to establish Martin Luther King, Jr., student scholarships.

(c) The fees collected shall be deposited into the Martin Luther King, Jr., statue fee account for the purposes outlined in Subsections (a) and (b).

(d) A fee may not be charged under this section after August 31, 1999.

Added by Acts 1995, 74th Leg., ch. 757, Sec. 2, eff. June 16, 1995.

Sec. 54.5134. WASHINGTON, D.C., INTERNSHIP EDUCATION FEE. (a) The governing board of an institution of higher education may charge and collect from each student registered at the institution a fee in an amount not to exceed \$1 for each semester or summer session if imposition of the fee is approved by a majority vote of the students of the institution participating in a general student election held for that purpose.

(b) The amount of the fee imposed at an institution may be increased from one academic year to the next by more than 10 percent only if approved by a majority vote of the students of the institution participating in a general student election held for that purpose.

(c) Revenue from a fee imposed under this section shall be deposited in a fund established by the institution outside the state treasury and identified as the institution's Washington, D.C., internship financial aid fund. Money in the fund may be used only to assist a student participating in a Washington, D.C., internship program administered, sponsored, or approved by the institution.

(d) The fund shall be used in accordance with guidelines jointly developed by the student governing body of the institution and the administration of the institution. If the institution does not have a student governing body, the president may appoint a committee of students to assist with the development of the guidelines.

(e) A fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be charged a student enrolled at the institution under Section 54.503(b).

Added by Acts 1999, 76th Leg., ch. 1504, Sec. 1, eff. Aug. 30, 1999.

Sec. 54.5135. BARBARA JORDAN AND CESAR CHAVEZ STATUES FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge and collect from students registered at The University of Texas at Austin a fee of \$2 for any semester or summer session. The fee shall be used for funding the construction of a Barbara Jordan statue and a Cesar Chavez statue on the campus of The University of Texas at Austin and to establish Barbara Jordan and Cesar Chavez student scholarships.

(b) The board shall deposit one-half of the revenue collected from the fee into the Barbara Jordan statue fee account for the purposes of constructing the Barbara Jordan statue and, if funds permit, establishing Barbara Jordan student scholarships. Any funds deposited in the account in excess of the cost of the construction of the statue shall be used to establish the student scholarships.

(c) The board shall deposit the remaining revenue collected from the fee into the Cesar Chavez statue fee account for the purposes of constructing the Cesar Chavez statue and, if funds permit, establishing Cesar Chavez student scholarships. Any funds deposited in the account in excess of the cost of the construction of the statue shall be used to establish the student scholarships.

(d) A fee may not be charged under this section after August 31, 2007.

Added by Acts 2003, 78th Leg., ch. 1065, Sec. 1, eff. June 20, 2003.

Sec. 54.514. STUDENT FEES ADVISORY COMMITTEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The student fees advisory committee is established to advise the administration of The University of Texas at Austin on the type, level, and expenditure of compulsory fees for student services collected at the university under Section 54.513 of this subchapter. The administration may also ask the student fees advisory committee to advise the administration of the university on the type, level, and expenditure of voluntary fees for student services collected at the university under Section 54.513 of this subchapter. The committee is composed of nine members.

(b) Five of the members of the student fees advisory committee must be student members. The student members must be students who are enrolled in not less than six semester hours at the university and who are generally representative of the student body. If a student government exists, the student members shall be selected by the student government of the university. The student members shall be selected and designated as appropriate so that

three student members on the committee are serving terms of two years, and two student members are serving terms of one year. If a student government does not exist, the students shall be elected by the students enrolled in the university voting in an election held for that purpose. At each election, the appropriate number of students shall be elected for terms of appropriate length so that three student members on the committee are serving terms of two years, and two student members are serving terms of one year. At an election at which three students are being elected for terms of two years and two students are being elected for terms of one year, each candidate must file for a one-year or two-year position.

(c) The four remaining members of the student fees advisory committee shall be appointed by the president of the university and shall be generally representative of the total university community. Each nonstudent member of the committee serves for a term of one year but may be reappointed.

(d) A student member who ceases to be a student may not continue to hold a student membership position. If a student vacancy occurs, the student government shall appoint a new member to serve for the remainder of the unexpired term. In the absence of student government or if the vacancy is in a nonstudent position, the president of the university shall appoint a new member to serve for the remainder of the unexpired term.

(e) The committee shall conduct appropriate inquiry into the type, level, and expenditure of any compulsory fees to be charged under Section 54.513 of this subchapter and on the expenditure of money generated from those fees. Following the committee's inquiries, the committee and the appropriate members of the university administration shall meet, and at the meeting the committee shall submit to the administration a statement recommending the type, level, and expenditure of compulsory fees to be charged to students in the academic year beginning with the following fall semester.

(f) The president shall duly consider the recommendations of the student fees advisory committee in his recommendations to the board of regents of The University of Texas System which recommendations shall be submitted to the board during the annual budgetary process. If the president's recommendations to be made to the board are substantially different from those of the student fees advisory committee to the administration, the administration shall so notify the student fees advisory committee in sufficient time for the committee to request time for an appearance on the regents' agenda for the meeting at which the board will consider the president's recommendations. The administration shall provide to a student member designated by the student members of the committee, upon that student member's request, the most recent and complete recommendations of the president to the board.

(g) In addition to selecting the student members of the student fees advisory committee, the student government, if one exists, is entitled to select the student members of the university parking and traffic policies committee established by the president of the university. The university parking and traffic policies committee shall provide copies of any recommendations it makes concerning the setting of student parking fees to the student fees advisory committee. The student fees advisory committee may make such comments and recommendations to the administration on the recommendations of the university parking and traffic policies committee as it may wish.

Added by Acts 1983, 68th Leg., p. 2055, ch. 378, Sec. 1. Renumbered from V.T.C.A., Education Code Sec. 67.212 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 16, eff. Aug. 31, 1987.

Sec. 54.515. STUDENT UNION FEE. (a) The governing board of each institution of higher education may charge each student registered at the institution a student union fee not to exceed \$20 for each regular semester and not to exceed \$10 for each term of the summer session for the sole purpose of financing, constructing, operating, maintaining, and improving a student union building. The fee may not be imposed, and may not be increased above \$10 for each regular semester and \$5 for each term of the summer session, unless the imposition or increase is approved by a majority vote of those students participating in a general election. The fees authorized by this section are in addition to any other use or service fee authorized by law to be charged and collected by the institution.

(b) The fees collected under Subsection (a) of this section

shall be deposited in a designated account and shall be placed under the control of and subject to the order of a student advisory committee. The student advisory committee annually shall submit to the governing board of the institution a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the previous fiscal year and all related expenditures made during that year. The governing board shall make any changes in the budget as it considers necessary before approving the budget and shall charge and collect the fees as provided by this section in amounts sufficient to meet the budgetary needs of the student union building and within the limits authorized by this section.

Added by Acts 1987, 70th Leg., ch. 901, Sec. 17, eff. Aug. 31, 1987.

Sec. 54.518. UNIVERSITY CENTER FEE; MIDWESTERN STATE UNIVERSITY. (a) To the extent approved by the students under Subsection (b) of this section, the Board of Regents of Midwestern State University is hereby authorized to levy a regular, fixed student fee not to exceed \$15 per student for each semester of the long session and not to exceed \$7.50 per student for all or part of each term of the summer session for the purpose of operating, maintaining, improving, equipping, and financing the university center and acquiring or constructing additions to the center. The amount of the fee may be changed at any time within the limits specified in order to provide sufficient funds to support the university center. The fees authorized in this section supplement any other use or service fee authorized by law.

(b) The decision to levy such a fee, the amount of the initial fee, and any increase in the fee must be approved by a majority vote of those students participating in a general election called for that purpose.

(c) The chief fiscal officer of the university shall collect the fees provided for in this section and shall credit the money received from the fees to an account known as the University Center Administration and Program Fund.

Added by Acts 1979, 66th Leg., p. 793, ch. 354, Sec. 1, eff. June 6, 1979. Renumbered from V.T.C.A., Education Code Sec. 103.11 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 20, eff. Aug. 31, 1987.

Sec. 54.519. STUDENT UNION FEE; NORTH TEXAS STATE UNIVERSITY . (a) The board of regents of North Texas State University may levy a regular, fixed student fee against each student enrolled in that institution, as may in their discretion be just and necessary for the purpose of operating, maintaining, improving, and equipping the student union and acquiring or constructing additions thereto; provided, however, that the student body must approve each increase of said fee in excess of \$3 per student for each fiscal year, at an election called for that purpose by the board. Notice of an election shall be given by publication of a substantial copy of the resolution or order of the board calling the election and showing the amount of the increased fee and the purpose for which it is to be used. The notice shall be published in The North Texas Daily or in any other student newspaper having general circulation among the student body for three consecutive days of the week immediately preceding the date set for the election. The board shall canvass the returns and declare the results of the election, and if a majority of the students voting in the election vote in favor of the increase, then the board may levy the fee in an amount not in excess of the amount authorized at the election.

(b) The activities of the student union financed in whole or in part by the student union fee shall be limited to those activities in which the entire student body is eligible to participate and in no event may any of the activities so financed be held outside of the territorial limits of the campus of the University of North Texas.

(c) The fiscal officer of the University of North Texas shall collect the fees provided for in Subsection (a) of this section and shall credit the money received from those fees to an account known as the student union fee account.

(d) The money thus collected and placed in the student union fee account shall be used for the purpose of operating and maintaining and improving the student union and shall be placed under the control of and subject to the order of the board of directors of the student union, which board of directors shall annually submit a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the

past year and all expenditures made incident thereto. The board of regents shall make such changes in the budget as it deems necessary before approving it, and shall then levy the student fees under the provisions of Subsection (a) of this section in such amounts as will be sufficient to meet the budgetary needs of the student union, within the statutory limits fixed in this section.

Added by Acts 1971, 62nd Leg., p. 3336, ch. 1024, art. 2, Sec. 3, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 790, Sec. 1, eff. Sept. 1, 1985; Acts 1987, 70th Leg., ch. 1070, Sec. 9, eff. May 15, 1988. Renumbered from V.T.C.A., Education Code Sec. 105.43 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 21, eff. Aug. 31, 1987.

Sec. 54.520. UNIVERSITY CENTER STUDENT FEE; STEPHEN F. AUSTIN STATE UNIVERSITY. (a) To the extent approved by the students under Subsection (b), the board of regents of Stephen F. Austin State University may charge each student enrolled in one or more courses conducted by the university a fee in the amount of \$9 for each semester credit hour, in a total amount of at least \$35 but not to exceed \$85 per student for each semester or summer session, for the purpose of acquiring, constructing, renovating, operating, maintaining, improving, equipping, and financing a university center or additions to the center. The fees authorized in this section supplement any other use or service fee authorized by law.

(b) The decision to levy a fee under this section must be approved by a majority vote of those students participating in a general election called for that purpose.

(c) The chief fiscal officer of the university shall collect the fees provided for in this section and shall credit the money received from the fees to an account known as the university center administration and program fund.

Added by Acts 1979, 66th Leg., p. 734, ch. 326, Sec. 1, eff. June 6, 1979. Renumbered from V.T.C.A., Education Code Sec. 101.42 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 22, eff. Aug. 31, 1987; Amended by Acts 2003, 78th Leg., ch. 475, Sec. 1, eff. June 20, 2003.

Sec. 54.5201. RECREATIONAL SPORTS FEE; STEPHEN F. AUSTIN STATE UNIVERSITY. (a) The board of regents of Stephen F. Austin State University may charge each student enrolled at the university a recreational sports fee not to exceed \$120 per semester or summer session of longer than six weeks or \$60 per summer session of six weeks or less. The fee may be used to purchase equipment for and to construct, operate, and maintain recreational sports facilities and programs.

(b) The recreation fee authorized by this section may not be increased more than 10 percent from one academic year to the next unless the increase has been approved by a majority vote of those students participating in a general student election called for that purpose. The fee may not exceed the amounts provided by Subsection (a).

(c) The chief fiscal officer of the university shall collect any student recreational sports fee imposed under this section and shall deposit the money collected in an account to be known as the student recreational sports account.

(d) A student recreational sports fee imposed under this section is not counted in determining the maximum student services fee that may be charged under Section 54.503.

Added by Acts 2005, 79th Leg., ch. 503, Sec. 1, eff. June 17, 2005.

Sec. 54.521. STUDENT CENTER FACILITY FEES; TEXAS A&M UNIVERSITY SYSTEM. (a) The board of regents of The Texas A&M University System may levy a regular, fixed student fee on each student enrolled in an educational institution within The Texas A&M University System for the purpose of acquiring, constructing, renovating, operating, maintaining, improving, adding to, replacing, financing, and equipping one or more student center facilities for the institution. The board may set fees in amounts it considers just and necessary but not to exceed \$100 per student for each semester for the long session and not to exceed \$50 per student for each term of the summer session, or any fractional part of a session. The activities of a student center facility that may be financed in whole or in part by the student center facility fee are limited to those activities in which the entire student body is eligible to participate. The financed activities may not be held outside the territorial limits of any educational institution within The Texas A&M University System.

(b) The comptroller of each institution shall collect the

fees levied under Subsection (a) of this section and shall credit the money received from the fees to an account known as the student center facility fee account.

(c) The money collected and placed in the student center facility fee account may be used only for the purposes provided by Subsection (a) of this section. A complete and itemized budget shall be submitted to the board annually and must be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident to the activities. The board shall make changes in the budget it considers necessary before approving the budget, and shall then levy the fees in amounts sufficient to meet the approved budget, within the limits fixed by this section.

(d) The decision to levy a student center facility fee and the amount of the initial fee must be approved by a majority vote of those students participating in a general election called for that purpose.

(e) The fee authorized by this section may not be increased from one academic year to the next unless the increase has been approved by a majority vote of the students at the affected institution participating in a general election called for that purpose, except that at Tarleton State University the fee may be increased by not more than 10 percent from one academic year to the next without holding an election. The fee may not exceed the maximum amounts provided by Subsection (a).

(f) The president of each institution in the system shall establish a formal system for soliciting and receiving student comment with respect to matters of construction and operation of a facility or program financed by a fee charged under this section.

Added by Acts 1983, 68th Leg., p. 5008, ch. 899, Sec. 1, eff. June 19, 1983. Renumbered from V.T.C.A., Education Code Sec. 85.30 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 23, eff. Aug. 31, 1987. Amended by Acts 1991, 72nd Leg., ch. 281, Sec. 1, eff. Aug. 26, 1991; Acts 1997, 75th Leg., ch. 546, Sec. 1, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 826, Sec. 1, eff. June 14, 2001; Acts 2005, 79th Leg., ch. 327, Sec. 1,2 eff. June 17, 2005; Acts 2005, 79th Leg., ch. 1226, Sec. 1, eff. June 18, 2005.

Sec. 54.522. STUDENT CENTER FEES; TEXAS SOUTHERN UNIVERSITY. (a) The board of regents of Texas Southern University may levy and collect a student fee not to exceed \$35 per student for each semester of the long session and not to exceed \$17.50 per student for each term of the summer session, from each student enrolled in Texas Southern University, as may in its discretion be just and necessary for the purpose of operating, maintaining, improving, and equipping the student center and acquiring or constructing additions to the student center. A fee collected under this section is in addition to any other use or service fee authorized to be levied.

(b) The fees collected under this section shall be deposited to the credit of an account known as the "Texas Southern University Student Center Fee Account" and shall be under the control of the student fee advisory committee established under Section 54.5031.

(c) The student fee advisory committee annually shall submit to the board of regents a complete and itemized budget for the student center with a complete report of all student center activities conducted during the past year and all expenditures made in connection with those activities. The board of regents may make changes in the budget that the board determines are necessary. After approving the budget, the board of regents, in accordance with this section, may levy the student center fees for that year in amounts sufficient to meet the budgetary needs of the student center.

(d) The board may not increase the amount of the student center fee by more than 10 percent in any academic year unless the amount of the increase is approved by a majority of the students voting in an election held for that purpose or by a majority of the student government of the institution.

(e) A fee levied under this section may not be considered in determining the maximum student services fee that may be charged under Section 54.503(b).

Added by Acts 1977, 65th Leg., p. 2206, ch. 869, Sec. 2, eff. Aug. 29, 1977. Renumbered from V.T.C.A., Education Code Sec. 106.37 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 24, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., 1st C.S., ch. 38, Sec. 1, eff. Oct. 18, 1989; Acts 1997, 75th Leg., ch. 542, Sec. 1, eff. May

31, 1997.

Sec. 54.5221. RECREATIONAL FACILITY FEE; TEXAS SOUTHERN UNIVERSITY. (a) The board of regents of Texas Southern University may levy and collect a recreational facility fee not to exceed \$50 per student for each semester of the regular term or the summer session from each student enrolled in Texas Southern University, for the sole purpose of constructing, operating, maintaining, improving, and equipping a recreational facility or program at the institution. A fee collected under this section is in addition to any other use or service fee authorized to be levied.

(b) The fees collected under this section shall be deposited to the credit of an account known as the "Texas Southern University recreational facility fee account" and shall be under the control of the student fee advisory committee established under Section 54.5031.

(c) The student fee advisory committee annually shall submit to the board of regents a complete and itemized budget for the recreational facility with a complete report of all recreational facility activities conducted during the past year and all expenditures made in connection with those activities. The board of regents may make changes in the budget that the board determines are necessary. After approving the budget, the board of regents, in accordance with this section, may levy the recreational facility fees for that year in amounts sufficient to meet the budgetary needs of the recreational facility. If the budget approved by the board contains an expenditure for the construction of a facility, the board may contract for the construction of the facility.

(d) The board may not increase the amount of the recreational facility fee by more than 10 percent in any academic year unless the amount of the increase is approved by a majority of the students voting in an election held for that purpose or by a majority of the student government of the institution.

(e) A fee levied under this section may not be considered in determining the maximum student services fee that may be charged under Section 54.503(b).

Added by Acts 1997, 75th Leg., ch. 586, Sec. 1, eff. June 2, 1997.

Sec. 54.5222. MEDICAL SERVICES FEE; TEXAS SOUTHERN UNIVERSITY. (a) The board of regents of Texas Southern University may levy and collect a medical services fee not to exceed \$35 per student for each semester of the regular term or \$17.50 for each term of the summer session from each student enrolled in Texas Southern University for the sole purpose of operating, maintaining, improving, and equipping a medical service facility at the university, acquiring and constructing additions to the medical service facility, and providing medical services to students registered at the university. A fee collected under this section is in addition to any other use or service fee authorized to be levied.

(b) The fees collected under this section shall be deposited to the credit of an account known as the "Texas Southern University Medical Services Fee Account" and shall be under the control of the student fee advisory committee established under Section 54.5031.

(c) The student fee advisory committee annually shall submit to the board of regents a complete and itemized budget for the medical service facility with a complete report of all medical service activities conducted during the past year and all expenditures made in connection with those activities. The board of regents may make changes in the budget that the board determines are necessary. After approving the budget, the board of regents, in accordance with this section, may levy a medical services fee for that year in amounts sufficient to meet the budgetary needs of the medical service facility. If the budget approved by the board contains an expenditure for the construction of a facility, the board may contract for the construction of the facility.

(d) The board may not increase the amount of the medical services fee by more than 10 percent in any academic year unless the amount of the increase is approved by a majority of the students voting in an election held for that purpose or by a majority of the student government of the institution.

(e) A fee levied under this section may not be considered in determining the maximum student services fee that may be charged under Section 54.503(b).

(f) Before a fee is initially charged under this section and at other times as determined by the board of regents, the board shall provide students at the institution and employees of the

institution an opportunity to make recommendations to the board about the type of or scope of services the medical facility should offer.

Added by Acts 1997, 75th Leg., ch. 544, Sec. 1, eff. May 31, 1997.

Sec. 54.523. STUDENT CENTER FEES; TEXAS STATE UNIVERSITY SYSTEM. (a) To the extent approved by the students under Subsection (b) of this section, the board of regents of the Texas State University System may charge each student enrolled in a university or educational center under its authority a student center fee not to exceed \$100 per semester or \$50 per summer term of six weeks or less to be used to construct, operate, maintain, improve, and program a student center at the university or educational center at which the student is enrolled.

(b) The decision to levy a student center fee, the amount of the initial fee, and an increase in the fee must be approved by a majority vote of those students participating in a general election called for that purpose; provided that this requirement shall not apply to the decision to levy a student center fee or the amount of the initial fee approved by the board prior to the effective date of this section.

(c) The chief fiscal officer of each university operating a student center, either on its central campus or at an educational center of the university, shall collect the student center fee and shall deposit the money received into an account known as the student center account.

(d) The university shall hold in reserve any fee revenue that exceeds the amount necessary to construct, operate, maintain, improve, and program the student center. The university may use the fee revenue held in reserve only for future expenses of constructing, operating, maintaining, improving, or programming the student center.

(e) The board may charge a student center fee under this section at Lamar University or an educational center of Lamar University in the amount charged at the appropriate institution in the 1994-1995 academic year under former Section 54.517 or 108.361 as approved by a majority of the students of the institution voting in an election called for that purpose, as if the fee had been approved by a majority vote of the students under this section. Revenue from the fee charged under this section at an educational center of Lamar University may be used to pay the principal of and interest on revenue bonds issued under former Section 108.361 for the purpose of constructing a student center at the educational center.

Added by Acts 1981, 67th Leg., p. 1812, ch. 401, Sec. 1, eff. June 11, 1981. Renumbered from V.T.C.A., Education Code Sec. 95.35 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 25, eff. Aug. 31, 1987. Amended by Acts 1991, 72nd Leg., ch. 156, Sec. 1, eff. May 22, 1991; Acts 1995, 74th Leg., ch. 1061, Sec. 8, 12(3), eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 598, Sec. 4, eff. June 20, 2003.

Sec. 54.5241. STUDENT UNION FEES; TEXAS TECH UNIVERSITY SYSTEM. (a) The board of regents of the Texas Tech University System may impose a fee in a fixed amount on each student enrolled in a component institution of the Texas Tech University System for the purpose of providing revenue for financing, operating, maintaining, improving, and equipping student union facilities or for acquiring or constructing additions to those facilities.

(b) The board of regents may change the amount of the fee imposed at an institution as necessary to provide sufficient funds for the student union but may not increase the amount of the fee by more than 10 percent unless the amount of the increase is approved by:

(1) a majority of the students of the institution voting in a general student election held for that purpose; or

(2) a majority vote of the legislative body of the student government of the institution.

(c) The board of regents may prorate the amount of the fee imposed at an institution based on the length of the semester or term for which a student enrolls.

(d) The fiscal officer of each institution shall collect the fees imposed under this section at the institution and shall credit the money received from the fees to an account known as the student union account. The money in the account may be used only for the purposes provided by Subsection (a) and shall be placed under the control of and subject to the order of the advisory board of the institution's student union. The advisory board shall annually

submit a complete and itemized budget accompanied by a full and complete report of all activities conducted during the year and all expenditures made in connection with those activities. The board of regents shall make the changes in the budget as the board of regents considers necessary before approving the budget and shall impose the fees in an amount sufficient to meet the budgetary needs of the student union, subject to Subsection (b).

(e) The board of regents may pledge the fees imposed under this section to pay obligations issued for authorized purposes pursuant to the revenue financing system of the Texas Tech University System.

(f) Student union fees imposed under this section are in addition to any other fee the board of regents is authorized by law to impose and may not be considered in determining the maximum student services fee that may be imposed under Section 54.503(b). Added by Acts 2003, 78th Leg., ch. 945, Sec. 1, eff. Sept. 1, 2003.

Sec. 54.525. FEES FOR STUDENT CENTERS; TEXAS WOMAN'S UNIVERSITY. (a) The board of regents of Texas Woman's University may levy a regular, fixed student fee of not less than \$25 or more than \$40 per student for each semester of the long session and of not less than \$12.50 or more than \$20 per student for each term of the summer session, as the board determines is just and necessary for the purpose of financing, improving, operating, maintaining, and equipping student centers and acquiring or constructing additions to student centers.

(b) The board may increase a student fee levied under this section. If the increase is for more than \$3 per fiscal year, a majority of the students voting in an election called for that purpose must approve the increase.

(c) The board shall keep fees collected under this section in an account apart from the educational and general funds of the university. The board shall deposit the fees in a depository bank designated by the board and shall secure the deposits as required by law.

Added by Acts 1985, 69th Leg., ch. 239, Sec. 87, eff. Sept. 1, 1985. Renumbered from V.T.C.A., Education Code Sec. 107.47 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 27, eff. Aug. 31, 1987. Amended by Acts 1999, 76th Leg., ch. 1361, Sec. 1, eff. June 19, 1999.

Sec. 54.526. STUDENT FEES FOR UNIVERSITY CENTERS; THE UNIVERSITY OF HOUSTON. (a) The board of regents of the University of Houston System may levy a student union fee, not to exceed \$35 per student for each regular semester and not to exceed \$17.50 per student for each term of the summer session. The sole purpose of the fee is financing, constructing, operating, maintaining, and improving a Student Union Building for the University of Houston. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied.

(b) Such fees shall be deposited to an account known as "The University of Houston Center Fee Account" and shall be placed under the control of and subject to the order of the student fees advisory committee established under Section 54.5062. The committee shall annually submit to the president of the University of Houston a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The board of regents shall make such changes in the budget as it deems necessary before approving the budget. The board shall then levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budgetary needs of the University Center Building. An increase in the fee from one academic year to the next must be approved by a majority vote of the students voting in an election called for that purpose or by a majority vote of the student government. Expenditures from "The University of Houston Center Fee Account" shall be made solely for the purposes set forth in this section, and in compliance with the budget approved by the board of regents.

Added by Acts 1977, 65th Leg., p. 1473, ch. 597, Sec. 1, eff. Aug. 29, 1977. Renumbered from V.T.C.A., Education Code Sec. 111.42 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 28, eff. Aug. 31, 1987. Amended by Acts 1991, 72nd Leg., ch. 105, Sec. 2, eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 73, Sec. 1, eff. May 11, 1995.

Sec. 54.527. STUDENT FEES FOR UNIVERSITY CENTER FACILITIES; THE UNIVERSITY OF HOUSTON-DOWNTOWN COLLEGE. (a) The board of regents of the University of Houston System may levy a university center fee in an amount not to initially exceed \$15 per student

enrolled for five semester credit hours or less and \$25 per student enrolled for six semester credit hours or more for each regular semester, and not to initially exceed \$15 per student enrolled for each summer session. This fee may be used for the purpose of financing, construction, operating, maintaining, and improving facilities for university center activities, wherever located on the campus of the University of Houston-Downtown College. This fee may be levied in addition to any other use or service fee.

(b) The university center fee may be increased by the board of regents only on an affirmative vote of a majority of the student body voting at the University of Houston-Downtown College.

(c) The business officer of the University of Houston-Downtown College shall collect the university center fees and deposit the fees to the credit of an account known as the University Center Fee Account.

(d) The money deposited to the credit of the University Center Fee Account shall be used for the purposes authorized in Subsection (a) of this section. A complete and itemized budget shall be submitted annually and accompanied by a full and complete report of all activities conducted during the past year and all expenditures incident to those activities. The board of regents shall make changes in the budget that it considers necessary.

Added by Acts 1983, 68th Leg., p. 5102, ch. 928, Sec. 1, eff. June 19, 1983. Renumbered from V.T.C.A., Education Code Sec. 111.94 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 29, eff. Aug. 31, 1987.

Sec. 54.528. RECREATIONAL FACILITY FEE; THE UNIVERSITY OF HOUSTON. (a) The board of regents of the University of Houston System may charge each student enrolled at the University of Houston a recreational and wellness facility fee to finance, construct, operate, maintain, or improve student wellness and recreational facilities at the university. The initial amount of the fee may not exceed \$75 for each semester of the regular term or for each summer session. The board may prorate the amount of the fee for a summer session.

(b) The fee may not be imposed unless the fee is approved by a majority vote of those students participating in a general student election called for that purpose. The fee may not be imposed in a semester or session before the first semester or session in which a wellness and recreational facility is available for use.

(c) The board may increase the amount of the fee, but may not increase the amount by more than 10 percent from one academic year to the next unless the increase is approved by a majority vote of those students voting in a general student election called for that purpose.

(d) The board shall deposit the revenue from the fee in an account known as the recreational and wellness facility account.

(e) The board may pledge revenue from the fee to pay obligations issued pursuant to the revenue financing system of the University of Houston System.

(f) A fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be charged under Section 54.503.

(g) The board may permit a person who is not enrolled at the University of Houston to use a facility financed with revenue from a fee imposed under this section if:

(1) the person's use of the facility will not materially interfere with student demand or use;

(2) the person is charged a fee that is not less than the student fee and that is not less than the direct and indirect cost to the university of providing for the person's use; and

(3) the person's use will not materially increase the potential liability of the university.

Added by Acts 1999, 76th Leg., ch. 221, Sec. 1, eff. May 24, 1999.

Sec. 54.529. STUDENT UNION FEE; THE UNIVERSITY OF TEXAS AT ARLINGTON. (a) The board of regents of The University of Texas System may levy a student union fee not to exceed \$39 per student for each regular semester and not to exceed \$19.50 per student for each term of the summer session, for the sole purpose of financing, constructing, operating, maintaining, and improving the Student Union Building for The University of Texas at Arlington; provided, however, that the fee may not be increased above \$15 per student for each regular semester and \$7.50 per student for each term of the summer session unless the increase is approved by a majority vote of

those students participating in a general election. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied.

(b) Such fees shall be deposited to an account known as "The University of Texas at Arlington Student Union Fee Account" and shall be placed under the control of and subject to the order of the Student Union Advisory Committee. The committee shall annually submit to the president of The University of Texas at Arlington a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make such changes in the budget as it deems necessary before approving the budget, and shall then levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budgetary needs of the student union building.

Added by Acts 1977, 65th Leg., p. 832, ch. 309, Sec. 1, eff. Aug. 29, 1977. Amended by Acts 1983, 68th Leg., p. 890, ch. 209, Sec. 1, eff. Aug. 29, 1983. Renumbered from V.T.C.A., Education Code Sec. 68.04 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 31, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 910, Sec. 1.

Sec. 54.530. STUDENT UNION FEES; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may levy and collect from each student a compulsory fee for operating, maintaining, improving, equipping, and/or constructing additions to the existing Texas Union building near Guadalupe Street. Unless the board increases the amount as provided by this subsection, the fee may not exceed \$33 for each regular semester and \$16.50 for each term of each summer session. The money collected from the fees shall be deposited to an account known as the Texas Union Fee Account. With the concurrence of the student fees advisory committee, the board may increase the amount of the fee to an amount that is not more than 10 percent of the amount imposed in the preceding academic year. The board may increase the amount of the fee to an amount that is more than 10 percent of the amount imposed in the preceding academic year if that increase in the fee is approved by a majority vote of those students participating in a general election called for that purpose. However, the board may not increase the amount of the fee to an amount that is more than \$50 for each regular semester and \$30 for each term of each summer session. The activities of said Texas Union building financed in whole or in part by the fee shall be limited to those activities in which the entire student body is eligible to participate, and in no event shall any of the activities so financed be held outside of the territorial limits of the campus of The University of Texas at Austin.

(b) The fees thus collected and placed in the Texas Union Fee Account shall be placed under the control of and subject to the order of the board of directors of the Texas Union building, which board shall annually submit a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The board of regents shall make such changes in the budget as it deems necessary before approving the same, and shall then levy the fees in such amounts as will be sufficient to meet the budgetary needs of said Texas Union building, within the limits herein fixed.

(c) The power and authority conferred by this section does not and shall not constitute in any way a limitation or restriction upon the power and authority of the board of regents under Chapter 55 of this code.

Amended by Acts 1979, 66th Leg., p. 2074, ch. 811, Sec. 1, eff. June 13, 1979; Acts 1983, 68th Leg., p. 2060, ch. 378, Sec. 3. Renumbered from V.T.C.A., Education Code Sec. 67.21 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 32, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 910, Sec. 8; Acts 1999, 76th Leg., ch. 1529, Sec. 1, eff. Aug. 30, 1999.

Sec. 54.531. STUDENT UNION BUILDING FEES; THE UNIVERSITY OF TEXAS AT DALLAS. (a) The board of regents of The University of Texas System may levy a student union fee, not to exceed \$60 per student for each regular semester and not to exceed \$40 per student for each term of the summer session, for the sole purpose of financing, constructing, operating, maintaining, and improving a student union building for The University of Texas at Dallas; provided, however, that the fee may not be increased above \$40 per

student for each regular semester and \$26.67 per student for each term of the summer session unless the increase is approved by a majority vote of those students participating in a general election held for that purpose. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied.

(b) Such fees shall be deposited to an account known as "The University of Texas at Dallas Student Union Fee Account" and shall be placed under the control of and subject to the order of the Student Union Advisory Committee. The committee shall annually submit to the president of The University of Texas at Dallas a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make such changes in the budget as it deems necessary before approving the budget, and shall then levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budgetary needs of the student union building.

(c) The board of regents may pledge fees levied under this section to pay obligations issued pursuant to the revenue financing system of The University of Texas System.

Added by Acts 1977, 65th Leg., p. 1041, ch. 385, Sec. 1, eff. Aug. 29, 1977. Amended by Acts 1985, 69th Leg., ch. 239, Sec. 86, eff. Sept. 1, 1985. Renumbered from V.T.C.A., Education Code Sec. 70.08 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 33, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 910, Sec. 2; Acts 1993, 73rd Leg., ch. 492, Sec. 1, eff. Aug. 30, 1993.

Sec. 54.532. STUDENT UNION BUILDING FEES; THE UNIVERSITY OF TEXAS AT SAN ANTONIO. (a) The board of regents of The University of Texas System may levy a student union fee of not less than \$20 or more than \$150 for each semester or summer session, assessed in proportion to the number of credit hours for which a student registers, for the sole purpose of financing, operating, maintaining, and improving a student union building for The University of Texas at San Antonio. This fee may be levied in addition to any other use or service fee.

(b) The fees collected under Subsection (a) of this section shall be deposited to an account known as The University of Texas at San Antonio University Center Fee Account and shall be placed under the control of and subject to the order of the university center advisory committee. The committee shall annually submit to the president of The University of Texas at San Antonio a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident to those activities. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make such changes in the budget as it deems necessary before approving the budget. The board shall then levy the fees, within the limits fixed in this section, in such amounts as will be sufficient to meet the budgetary needs of the student union building.

(c) The board may not increase the amount of the student union fee in any academic year unless the amount of the increase is approved by a majority of the students voting in an election held for that purpose and by a majority of the student government of the institution.

Added by Acts 1979, 66th Leg., p. 62, ch. 38, Sec. 1, eff. April 1, 1979. Renumbered from V.T.C.A., Education Code Sec. 71.07 and amended by Acts 1987, 70th Leg., ch. 901, Sec. 34, eff. Aug. 31, 1987. Amended by Acts 1989, 71st Leg., ch. 910, Sec. 3; Acts 1991, 72nd Leg., ch. 314, Sec. 1, eff. Aug. 26, 1991; Acts 1997, 75th Leg., ch. 1073, Sec. 1.11, eff. Aug. 1, 1997; Acts 2003, 78th Leg., ch. 575, Sec. 1, eff. June 20, 2003.

Sec. 54.5321. TRANSPORTATION FEE; THE UNIVERSITY OF TEXAS AT SAN ANTONIO. (a) The board of regents of The University of Texas System may impose on each student enrolled at The University of Texas at San Antonio a transportation fee not to exceed \$50 for each regular semester and not to exceed \$25 for each term of the summer session, for the sole purpose of financing transportation services, including capital expenses, for students attending The University of Texas at San Antonio. The fee is in addition to any other use fee or service fee authorized by law. The fee may not be imposed unless the fee is approved by a majority vote of the students participating

in a general student election held for that purpose.

(b) The board may not increase the amount of the transportation fee in any academic year unless the amount of the increase is approved by a majority vote of the students participating in a general student election held for that purpose.

(c) Revenue from the fee shall be deposited to an account known as The University of Texas at San Antonio Transportation Fee Account and shall be expended in accordance with a budget submitted to and approved by the board. The board shall make any changes in the budget the board considers necessary before approving the budget and shall impose the fee, within the limits provided by this section, in an amount sufficient to meet the budget as approved.

(d) A fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be charged under Section 54.503.

(e) The university shall hold in reserve any fee revenue that exceeds the amount necessary to meet the current expenses of the transportation services and shall apply that revenue only to future expenses of the transportation services.

Added by Acts 2003, 78th Leg., ch. 574, Sec. 1, eff. June 20, 2003.

Sec. 54.5322. INTERCOLLEGIATE ATHLETICS FEE; THE UNIVERSITY OF TEXAS AT SAN ANTONIO. (a) The board of regents of The University of Texas System may impose a mandatory intercollegiate athletics fee on each student enrolled at The University of Texas at San Antonio. The amount of the fee may not exceed \$7 per semester credit hour for each regular semester, not to exceed a total of \$84 per semester, unless the amount is increased by the board, subject to the limitation provided by Subsection (b). The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held for that purpose.

(b) The board may not increase the amount of the fee in any academic year unless the amount of the increase is approved by a majority vote of the students participating in a general student election held for that purpose.

(c) The board may prorate the amount of the fee for a summer session.

(d) The fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503.

Added by Acts 2003, 78th Leg., ch. 574, Sec. 1, eff. June 20, 2003.

Sec. 54.533. STUDENT UNION FEES; THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN. (a) The board of regents of The University of Texas System may impose a student union fee for the sole purpose of financing, constructing, operating, maintaining, and improving a student union facility for The University of Texas of the Permian Basin. The amount of the fee may not exceed \$50 per student for each regular semester and may not exceed \$39 per student for each regular semester unless the amount is approved by a majority vote of the students participating in a general student election held for that purpose. The fee is in addition to any other fee authorized to be imposed. The board of regents may prorate the amount of the fee for a summer session.

(b) Revenue collected from the fee shall be deposited to an account known as The University of Texas of the Permian Basin student union fee account and shall be placed under the control of and subject to the order of the student union advisory committee. The committee shall annually submit to the president of the university a complete itemized budget and a complete report of all activities conducted during the preceding year and all expenditures made in connection with those activities. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make changes in the budget as the board considers necessary before approving the budget and shall then impose the fee, within the limits provided by this section, in amounts sufficient to meet the budgetary needs of the student union facility.

(c) The board of regents may pledge fees imposed under this section to pay obligations issued pursuant to the revenue financing system of The University of Texas System.

(d) A fee may not be imposed under this section in a semester in which the student union facility is not available for student use.

Added by Acts 1999, 76th Leg., ch. 9, Sec. 1, eff. April 30, 1999.

Sec. 54.5331. INTERCOLLEGIATE ATHLETIC FEE; THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN. (a) The board of regents of The

University of Texas System may impose a mandatory intercollegiate athletics fee at The University of Texas of the Permian Basin if the fee is approved by a majority vote of the students participating in a general student election held for that purpose. The amount of the fee may not exceed \$5 per semester credit hour for each regular semester in the first academic year in which the fee is imposed.

(b) The amount of the fee per semester credit hour may be increased from one academic year to the next only if the increase is approved by a majority vote of the students of the university participating in a general student election held for that purpose.

(c) The board of regents may prorate the amount of the fee for a summer session.

(d) The fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum student services fees that may be imposed under Section 54.503.

(e) Expired.

Added by Acts 2001, 77th Leg., ch. 82, Sec. 1, eff. May 11, 2001.

Sec. 54.534. ARTS AND PERFORMANCE CENTER FEE; THE UNIVERSITY OF TEXAS AT TYLER. (a) The board of regents of The University of Texas System may levy an Arts and Performance Center fee, not to exceed \$20 per student for each regular semester and \$10 per student for each term of the summer session, for the sole purpose of financing, constructing, operating, maintaining, and improving an Arts and Performance Center for The University of Texas at Tyler; provided, however, that the fee may not be increased above the amount of \$30 per student for each regular semester and \$15 per student for each term of the summer session unless the increase is approved by a majority vote of those students participating in the general election. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied.

(b) Such fees shall be deposited to an account known as The University of Texas at Tyler Arts and Performance Center account and shall be placed under the control of and be subject to the order of the Arts and Performance Complex Advisory Committee. The committee shall annually submit to the president of The University of Texas at Tyler a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents may subsequently make such changes in the budget as it deems necessary before approving the budget and shall levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budgetary needs of the Arts and Performance Center.

(c) The Arts and Performance Complex Advisory Committee is established to advise the administration of The University of Texas at Tyler on the level and expenditure of fees collected under this section. The administration may also ask the advisory committee to advise the administration on the type, level, and expenditure of voluntary fees for student services collected under this subchapter. The committee is composed of nine members. Four members of the advisory committee must be student members enrolled in not less than six semester hours at the university. Student members shall be selected by the student government of the university and shall serve for a one-year term. The remaining members of the advisory committee shall be appointed by the president of the university and shall be generally representative of the university community. Each nonstudent member serves for a term of two years. The University of Texas at Tyler may adopt such other rules as are necessary to effectuate the purposes of this section.

Added by Acts 1989, 71st Leg., ch. 910, Sec. 4.

Sec. 54.5341. STUDENT RECREATIONAL FACILITY FEE; THE UNIVERSITY OF TEXAS AT TYLER. (a) The board of regents of The University of Texas System may impose a recreational facility fee on each student enrolled at The University of Texas at Tyler. The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held at the university for that purpose.

(b) The amount of the fee may not exceed:

- (1) \$40 per student for each regular semester;
- (2) \$30 per student for each summer session of 12 weeks or longer;

(3) \$15 per student for each summer session of six weeks or more but less than 12 weeks; and

(4) \$10 per student for each summer session that is shorter than six weeks.

(c) The board may:

(1) use revenue from the fee only to finance, construct, equip, operate, maintain, or improve a recreational facility or program at the university; and

(2) pledge revenue from the fee to pay an obligation issued under the revenue financing system of The University of Texas System.

(d) The board shall deposit revenue from the fee to the credit of an account known as "The University of Texas at Tyler recreational facility fee account" under the control of the student fee advisory committee established under Section 54.5031.

(e) The student fee advisory committee annually shall submit to the board a complete and itemized budget for the recreational facility with a complete report of all recreational facility activities conducted during the past year and all expenditures made in connection with those activities. The board may make changes in the budget that the board determines are necessary. After approving the budget, the board, in accordance with this section, may impose the recreational facility fees for that year in amounts sufficient to meet the budgetary needs of the recreational facility. If the budget approved by the board contains an expenditure for the construction of a facility, the board may contract for the construction of the facility.

(f) The board may not increase the amount of the recreational facility fee unless the amount of the increase is approved by a majority vote of the students participating in a general student election held at the university for that purpose.

(g) A fee imposed under this section is in addition to any other fee the board is authorized by law to impose.

(h) A fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503(b).

(i) Expired.

Added by Acts 2001, 77th Leg., ch. 40, Sec. 1, eff. May 3, 2001.

Sec. 54.5342. INTERCOLLEGIATE ATHLETICS FEE; THE UNIVERSITY OF TEXAS AT TYLER. (a) The board of regents of The University of Texas System may impose an intercollegiate athletics fee on each student enrolled at The University of Texas at Tyler. The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held at the university for that purpose.

(b) The amount of the fee may not exceed \$7 per semester credit hour for each semester or summer session unless a greater amount is approved by a majority vote of those students participating in a general student election held at the university for that purpose. In that event, the amount of the fee may not exceed the amount approved at the election.

(c) A student enrolled in more than 15 semester credit hours shall pay the fee in an amount equal to the amount imposed on a student enrolled in 15 semester credit hours during that semester or session. Notwithstanding the limitation on the amount of the fee per semester credit hour under Subsection (b), a student enrolled in less than six semester credit hours shall pay the fee in an amount equal to the amount imposed on a student enrolled in six semester credit hours during that semester or session.

(d) A fee imposed under this section may be used to develop and maintain an intercollegiate athletics program at the university.

(e) A fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503(b).

(f) Expired.

Added by Acts 2001, 77th Leg., ch. 39, Sec. 1, eff. May 3, 2001.

Sec. 54.5343. STUDENT UNION FEE; THE UNIVERSITY OF TEXAS AT TYLER. (a) If authorized under Subsection (b), the board of regents of The University of Texas System may impose on each student enrolled at The University of Texas at Tyler a student union fee for the purpose of providing revenue for financing, constructing, operating, maintaining, renovating, improving, or equipping a student union building for the university. The fee may not exceed:

(1) \$100 per student for each semester or each summer session of more than six weeks; or

(2) \$50 per student for each summer session of six weeks or less.

(b) The board of regents may not impose a student union fee under this section unless imposition of the fee is approved by a majority of the university's students voting in a general student election called for that purpose. The board of regents may not increase the amount of the student union fee under this section by more than 10 percent from one academic year to the next unless the amount of the increase is approved by a majority of the university's students voting in a general student election called for that purpose.

(c) The fiscal officer of The University of Texas at Tyler shall collect the fees imposed under this section and shall credit the money received from the fees to an account known as The University of Texas at Tyler student union fee account. The money in the account may be used only for the purposes provided by Subsection (a) and shall be placed under the control of and subject to the order of the Student Union Advisory Committee. The committee shall annually submit to the president of the university a complete and itemized budget accompanied by a full and complete report of all activities conducted during the preceding year and all expenditures made in connection with those activities. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make the changes in the budget as the board considers necessary before approving the budget and shall impose the fees in an amount sufficient to meet the budgetary needs of the student union, subject to Subsection (b).

(d) The board of regents may pledge revenue from the fees imposed under this section to pay obligations issued for authorized purposes pursuant to the revenue financing system of The University of Texas System.

(e) A student union fee imposed under this section is in addition to any other fee the board of regents is authorized by law to impose and may not be considered in determining the maximum student services fee that may be imposed under Section 54.503(b).
Added by Acts 2005, 79th Leg., ch. 608, Sec. 1, eff. June 17, 2005.

Sec. 54.535. STUDENT UNION FEE; THE UNIVERSITY OF TEXAS AT EL PASO. (a) The board of regents of The University of Texas System may levy a student union fee not to exceed \$30 per student for each regular semester or each summer session of six weeks or more, and not to exceed \$15 per student for each summer session of less than six weeks, for the sole purpose of financing, constructing, operating, maintaining, and improving a student union building for The University of Texas at El Paso; provided, however, that the fee may not be increased above \$15 per student for each regular semester or each summer session of six weeks or more and \$7.50 per student for each summer session of less than six weeks unless the increase is approved by a majority vote of those students participating in a general election. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied.

(b) Such fees shall be deposited to an account known as The University of Texas at El Paso student union fee account and shall be placed under the control of and subject to the order of the Student Union Advisory Committee. The committee shall annually submit to the president of The University of Texas at El Paso a complete and itemized budget to be accompanied by a full and complete report of all activities conducted during the past year and all expenditures made incident thereto. The president shall submit the budget to the board of regents as part of the institutional budget. The board of regents shall make such changes in the budget as it deems necessary before approving the budget, and shall then levy the fees, within the limits herein fixed, in such amounts as will be sufficient to meet the budgetary needs of the student union building.

Added by Acts 1987, 70th Leg., ch. 346, Sec. 1, eff. Aug. 31, 1987. Renumbered from V.T.C.A., Education Code Sec. 69.03 and amended by Acts 1989, 71st Leg., ch. 910, Sec. 5. Amended by Acts 1999, 76th Leg., ch. 288, Sec. 2, eff. May 29, 1999.

Sec. 54.536. FEES FOR STUDENT HEALTH SERVICES BUILDING; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge each student enrolled in The University of Texas at Austin a fee not to exceed \$8 a semester or

12-week summer session, \$6 a nine-week summer session, or \$4 a six-week summer session. The fee may be used only for financing the renovation, improvement, maintenance, or replacement of the student health center building at the university or for operating the student health center.

(b) The university shall collect the student health services building fee imposed under this section and deposit the money collected in an account to be known as the student health services building account. The money collected and placed in the account may be used only to:

(1) finance the renovation, improvement, maintenance, or replacement of the student health center building and be pledged for the payment of obligations issued for those purposes; or

(2) operate the student health center.

(c) The student health services building fee imposed under this section shall not be counted in determining the maximum student services fee which may be charged to the students of The University of Texas at Austin under this subchapter.

Added by Acts 1990, 71st Leg., 6th C.S., ch. 20, Sec. 1, eff. June 18, 1990. Amended by Acts 1999, 76th Leg., ch. 1558, Sec. 3, eff. June 19, 1999.

Sec. 54.537. FEES FOR STUDENT SERVICES BUILDING; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Austin a fee not to exceed \$1.10 per registered semester hour. The fee may be used only for financing the construction, repair, maintenance, renovation, improvement, or replacement of a student services building at the university or for operating the student services building.

(b) The university shall collect the student services building fee imposed under this section and deposit the money collected into an account to be known as the student services building account. The money collected and placed in the account may be used only to:

(1) finance the construction, repair, maintenance, renovation, improvement, or replacement of a student services building and be pledged for the payment of obligations issued for those purposes; or

(2) operate the student services building.

(c) A fee may not be imposed under this section until the semester in which a student services building will be available for use.

(d) The student services building fee imposed under this section shall not be counted in determining the maximum student services fee which may be charged to the students of The University of Texas at Austin under this subchapter.

(e) The powers granted to the board of regents under this section are cumulative of all other powers granted to that board.

Added by Acts 1991, 72nd Leg., ch. 839, Sec. 2, eff. Aug. 26, 1991. Amended by Acts 1999, 76th Leg., ch. 1558, Sec. 4, eff. June 19, 1999.

Sec. 54.5371. GREGORY GYMNASIUM RENOVATION FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Austin a fee not to exceed \$1.90 per credit hour per semester or 12-week summer session or 95 cents per credit hour per six-week summer session. The fee may be used for financing, renovating, operating, maintaining, and improving the Gregory Gymnasium.

(b) The university shall collect the gymnasium renovation fee imposed under this section and deposit the money collected in an account to be known as the Gregory Gymnasium renovation account. The money collected shall be used only for the purposes described in Subsection (a) of this section.

(c) A fee under this section may not be collected under this section until the semester in which the gymnasium has been substantially renovated and the first phase of the renovated facility is made available for use.

(d) The board of regents may pledge fees collected under this section for the payment of obligations issued for authorized purposes pursuant to the revenue financing system of The University of Texas System.

(e) The fees collected under this section shall not be counted in determining the maximum student services fee which may be charged to students of The University of Texas at Austin under

this subchapter.

Added by Acts 1993, 73rd Leg., ch. 243, Sec. 1, eff. May 22, 1993.

Sec. 54.5372. AQUATICS CENTER FEE; THE UNIVERSITY OF TEXAS AT AUSTIN. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Austin a fee not to exceed 85 cents per credit hour per semester. The fee may be used for financing, constructing, renovating, operating, maintaining, and improving an aquatics center at the Gregory Gymnasium complex.

(b) The board of regents shall prorate the fee allowed under this section based on the length of the semester or term for which the student is enrolled.

(c) The university shall collect the fee imposed under this section and use it only for the purposes described in this section.

(d) A fee under this section may not be collected until the semester in which the aquatics center has been substantially completed and is made available for use.

(e) The board of regents may pledge fees collected under this section for the payment of obligations issued for authorized purposes pursuant to the revenue financing system of The University of Texas System.

(f) The fees collected under this section shall not be counted in determining the maximum student services fee which may be charged to students of The University of Texas at Austin under this subchapter.

Added by Acts 1999, 76th Leg., ch. 1307, Sec. 1, eff. June 18, 1999.

Sec. 54.538. RECREATIONAL SPORTS FEE; TEXAS STATE UNIVERSITY SYSTEM. (a) If approved by student vote at a system institution, the Board of Regents, Texas State University System, may charge each student enrolled at such institution a recreational sports fee not to exceed \$100 per semester or summer session of 10 weeks or longer or \$50 per summer session of less than 10 weeks. The fee may be used to purchase equipment for and to construct, operate, and maintain recreational sports facilities and programs at the designated institution.

(b) The recreation fee authorized by this section may not be increased more than 10 percent from one academic year to the next unless the increase has been approved by a majority vote of those students at the affected institution participating in a general student election called for that purpose. The fee may not exceed the amounts provided by Subsection (a).

(c) Each system institution shall collect any student recreational sports fee imposed under this section and shall deposit the money collected in an account to be known as the student recreational sports account.

(d) A student recreational sports fee imposed under this section is not counted in determining the maximum student services fee which may be charged under Section 54.513 of this subchapter.

Added by Acts 1989, 71st Leg., ch. 883, Sec. 1, eff. June 14, 1989. Renumbered from V.T.C.A., Education Code Sec. 54.535 by Acts 1991, 72nd Leg., ch. 16, Sec. 19.01(26), eff. Aug. 26, 1991. Amended by Acts 1995, 74th Leg., ch. 757, Sec. 4, eff. June 16, 1995; Acts 2003, 78th Leg., ch. 598, Sec. 5, eff. June 20, 2003.

Sec. 54.539. RECREATIONAL SPORTS FEE; THE TEXAS A&M UNIVERSITY SYSTEM. (a) If approved by student vote at an institution, the Board of Regents of The Texas A&M University System may charge students at such institutions within The Texas A&M University System a recreational sports fee not to exceed \$100 a semester or 12-week summer session or \$50 a six-week summer session. The fee may be used only for financing, constructing, operating, maintaining, and improving new and existing recreational sports facilities and programs at the designated university.

(b) The recreational sports fee may not be levied unless the levy of the fee has been approved by a majority vote of those students at the affected institution participating in a general student election called for that purpose.

(c) The fee authorized by this section may not be increased from one academic year to the next unless the increase has been approved by a majority vote of the students at the affected institution participating in a general election called for that purpose, except that at Tarleton State University the fee may be increased by not more than 10 percent from one academic year to the next without holding an election. The fee may not exceed the maximum amounts provided by Subsection (a).

(d) A fee may not be imposed under this section until the semester in which a campus recreational sports facility will be available for use.

(e) Each university shall collect any student recreational sports fee imposed under this section and shall deposit the money collected in an account to be known as the student recreational sports account. A recreational sports fee may not be collected after the 20th anniversary of the date it is first collected or after all bonded indebtedness for any campus recreational sports facility for which the fee receipts are pledged is paid, whichever is later.

(f) A student recreational sports fee imposed under this section is not counted in determining the maximum student services fee which may be charged under Section 54.513 of this subchapter.

(g) The board may permit a person who is not enrolled at a system institution to use a facility paid for by student recreational sports fees if:

(1) the person's usage does not materially interfere with student demand or usage;

(2) the person is charged a fee that is not less than the student fee and is not less than the direct and indirect cost to the institution of providing for the person's usage; and

(3) the person's usage does not increase materially the potential liability of the institution.

(h) The president of each institution in the system shall establish a formal system for student input with respect to matters of construction and operation of a facility or program financed by a student recreational sports fee.

Added by Acts 1989, 71st Leg., ch. 871, Sec. 1, eff. June 14, 1989. Amended by Acts 1991, 72nd Leg., ch. 833, Sec. 1, eff. June 16, 1991. Renumbered from V.T.C.A., Education Code Sec. 54.534 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(7), eff. Nov. 12, 1991. Amended by Acts 2001, 77th Leg., ch. 825, Sec. 1, eff. Sept. 1, 2001; Acts 2005, 79th Leg., ch. 1226, Sec. 2, eff. June 18, 2005.

Sec. 54.5391. INTERCOLLEGIATE ATHLETICS FEE; TEXAS A&M UNIVERSITY--CORPUS CHRISTI. (a) The board of regents of The Texas A&M University System may impose an intercollegiate athletics fee on each student enrolled at Texas A&M University--Corpus Christi. The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held at the university for that purpose.

(b) The amount of the fee may not exceed \$8 per semester credit hour for each semester or summer session, unless the amount is increased as provided by Subsection (c).

(c) The amount of the fee per semester credit hour may be increased from one academic year to the next only if approved by a majority vote of the students participating in a general student election held for that purpose or, if the amount of the increase does not exceed five percent, by a majority vote of the legislative body of the student government of the university.

(d) A student enrolled in more than 13 semester credit hours shall pay the fee in an amount equal to the amount imposed on a student enrolled in 13 semester credit hours during the same semester or session.

(e) A fee imposed under this section may be used to develop and maintain an intercollegiate athletics program at the university.

(f) A fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503(b).

(g) Expired.

Added by Acts 2003, 78th Leg., ch. 86, Sec. 1, eff. May 20, 2003.

Sec. 54.5392. INTERCOLLEGIATE ATHLETICS FEE; TEXAS A&M UNIVERSITY--KINGSVILLE. (a) The board of regents of The Texas A&M University System may impose an intercollegiate athletics fee on each student enrolled at Texas A&M University--Kingsville. The fee may not be imposed unless approved by a majority vote of the students participating in a general student election held at the university for that purpose.

(b) The amount of the fee may not exceed \$12 per semester credit hour for each semester or summer session, unless the amount is increased as provided by Subsection (c).

(c) The amount of the fee per semester credit hour may be increased from one academic year to the next only if approved by a

majority vote of the students participating in a general student election held for that purpose.

(d) A student enrolled in more than 13 semester credit hours shall pay the fee in an amount equal to the amount imposed on a student enrolled in 13 semester credit hours during the same semester or session.

(e) A fee imposed under this section may be used to develop and maintain an intercollegiate athletics program at the university.

(f) A fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503(b).

(g) Expired.

Added by Acts 2003, 78th Leg., ch. 290, Sec. 1, eff. June 18, 2003.

Sec. 54.5393. INTERCOLLEGIATE ATHLETICS FEE: PRAIRIE VIEW A&M UNIVERSITY.

Text of section effective until September 1, 2013

(a) The board of regents of The Texas A&M University System may impose an intercollegiate athletics fee on each student enrolled at Prairie View A&M University in an amount not to exceed \$10 per semester credit hour.

(b) The amount of the fee imposed on a student in a semester or session may not exceed the amount of the fee imposed on a student enrolled in 15 semester credit hours during the same semester or session.

(c) The fee may not be imposed unless approved by a majority vote of the students of the university participating in a general student election held for that purpose.

(d) A fee imposed under this section shall be used to develop and maintain an intercollegiate athletics program at the university.

(e) A fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503.

(f) This section expires September 1, 2013.

Added by Acts 2003, 78th Leg., ch. 1266, Sec. 6.01, eff. June 20, 2003.

Sec. 54.5394. INTERCOLLEGIATE ATHLETICS FEE: TARLETON STATE UNIVERSITY. (a) The board of regents of The Texas A&M University System may impose an intercollegiate athletics fee on each student enrolled at Tarleton State University in an amount not to exceed \$10 per semester credit hour.

(b) The amount of the fee imposed on a student in a semester or session may not exceed the amount of the fee imposed on a student enrolled in 13 semester credit hours during the same semester or session.

(c) The fee may not be imposed unless approved by a majority vote of the students of the university participating in a general student election held for that purpose.

(d) The amount of the fee per semester credit hour may be increased from one academic year to the next only if approved by a majority vote of the legislative body of the student government of the university. If the amount of the increase exceeds five percent, the increase must also be approved by a majority vote of the students of the university participating in a general student election held for that purpose.

(e) A fee imposed under this section may be used to develop and maintain an intercollegiate athletics program at the university.

(f) A fee imposed under this section is in addition to any other fee authorized by law and may not be considered in determining the maximum amount of student services fees that may be imposed under Section 54.503.

Added by Acts 2005, 79th Leg., ch. 1226, Sec. 3, eff. June 18, 2005.

Sec. 54.540. STUDENT CENTER FEE, UNIVERSITY OF HOUSTON-CLEAR LAKE. (a) The Board of Regents of the University of Houston System may levy and collect a student center fee, not to exceed \$40 per student for each regular semester and not to exceed \$20 per student for each term of the summer session for the sole purpose of financing, constructing, operating, maintaining, and improving a student center for the University of Houston-Clear Lake. The fees herein authorized to be levied are in addition to any use or service fee now or hereafter authorized to be levied. The student center

fee initially levied shall be in an amount approved by a majority vote of the students voting in an election called for that purpose.

(b) The student center fees shall be deposited to an account known as The University of Houston-Clear Lake Student Center Fee Account and shall be placed under the control of and subject to the order of the University Life Council. The council shall annually submit to the board of regents a complete and itemized budget, a recommended fee level, and a complete report of all activities conducted during the past year and all expenditures made incident thereto. The board of regents shall make such changes in the budget as it deems necessary before approving the budget.

(c) The board of regents may increase the student center fee levied under this section. However, if the increase is more than 10 percent above the previous fiscal year's fee, it must be approved by a majority of students voting in an election called for that purpose.

Added by Acts 1991, 72nd Leg., ch. 848, Sec. 4, eff. Aug. 26, 1991. Renumbered from V.T.C.A., Education Code Sec. 54.537 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(8), eff. Nov. 12, 1991.

Sec. 54.541. RECREATIONAL FACILITY FEE; THE UNIVERSITY OF TEXAS AT EL PASO. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at El Paso a recreational facility fee not to exceed \$12 per student per semester or summer session. The fee may be used only for financing, constructing, operating, maintaining, and improving new and existing recreational sports facilities and programs at The University of Texas at El Paso.

(b) The board of regents is authorized to pledge the fees levied under this section for the payment of obligations issued for authorized purposes pursuant to the revenue financing system of The University of Texas System.

(c) The recreational facility fee may not be levied unless the fee is approved and the amount of the fee is set by majority vote of those students participating in a general student election called at The University of Texas at El Paso for that purpose.

(d) The University of Texas at El Paso shall collect the recreational facility fee and deposit the money collected in an account to be known as The University of Texas at El Paso recreational facility account.

(e) The recreational facility fee is not counted in determining the maximum amount of student services fees which may be charged under Section 54.503 of this code, as amended.

Added by Acts 1993, 73rd Leg., ch. 58, Sec. 1, eff. April 29, 1993.

Sec. 54.542. STUDENT UNION BUILDING FEE; THE UNIVERSITY OF TEXAS-PAN AMERICAN. (a) Except as provided by Subsection (c) of this section, the board of regents of The University of Texas System may levy a student union fee, not to exceed \$30 for each student for each regular semester or \$15 for each student for each term of the summer session, for the sole purpose of financing, constructing, operating, maintaining, and improving a student union building for The University of Texas-Pan American.

(b) The board of regents may pledge the fees levied under this section to pay obligations issued pursuant to the revenue financing system of The University of Texas System.

(c) A student union fee levied under this section may not be levied or increased unless the levy or increase is approved by a majority vote of those students participating in a general election held for that purpose.

(d) Student union fees levied under this section are in addition to any other fee the board of regents is authorized by law to charge and may not be considered in determining the maximum student services fee that may be charged under Section 54.503(b) of this code.

(e) The board shall deposit student union fees levied under this section to the credit of an account known as The University of Texas-Pan American Student Union Fee Account.

(f) Notwithstanding Section 51.002 of this code, student union fees levied under this section are under the control of the Student Union Advisory Committee. The committee annually shall submit to the president of The University of Texas-Pan American a complete and itemized budget with a complete report of all activities conducted during the past year and all expenditures made in connection with those activities. The president shall submit the budget to the board of regents as part of the institutional budget. Before approving the budget, the board of regents may make

changes in the budget that the board determines are necessary. After approving the budget, the board, in accordance with this section, may levy the student union fees for that year in amounts sufficient to meet the budgetary needs of the student union building.

Added by Acts 1993, 73rd Leg., ch. 341, Sec. 1, eff. Aug. 30, 1993. Renumbered from V.T.C.A., Education Code Sec. 54.541 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(8), eff. Sept. 1, 1995.

Sec. 54.5421. SPORTS RECREATION AND WELLNESS FACILITY FEE; THE UNIVERSITY OF TEXAS--PAN AMERICAN. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas--Pan American a sports recreation and wellness facility fee to finance, construct, operate, maintain, or improve sports recreation and wellness programs and facilities at the university. The amount of the fee may not exceed \$75 for each semester of the regular term or for each summer session.

(b) The fee may not be imposed unless the fee is approved by a majority vote of those students voting in a general student election called for that purpose.

(c) The board may not increase the amount of the fee from one academic year to the next unless the amount of the increase is approved by a majority vote of those students voting in a general student election called for that purpose.

(d) The board shall deposit the revenue from the fee in an account known as The University of Texas--Pan American sports recreation and wellness facility account.

(e) The board may pledge revenue from the fee to pay obligations issued pursuant to the revenue financing system of The University of Texas System.

(f) A fee imposed under this section may not be considered in determining the maximum amount of student services fees that may be charged under Section 54.503.

(g) The board may permit a person who is not enrolled at The University of Texas--Pan American to use a facility financed with revenue from a fee imposed under this section if:

(1) the person's use of the facility will not materially interfere with student demand or use;

(2) the person is charged a fee that is not less than the student fee and that is not less than the direct and indirect cost to the university of providing for the person's use; and

(3) the person's use will not materially increase the potential liability of the university.

Added by Acts 2005, 79th Leg., ch. 483, Sec. 1, eff. June 17, 2005.

Sec. 54.543. RECREATIONAL FACILITY FEE; THE UNIVERSITY OF TEXAS AT SAN ANTONIO. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at San Antonio a recreational facility fee not to exceed:

(1) \$150 for a term or semester of more than six weeks;

or

(2) \$75 for a term or semester of six weeks or less.

(a-1) The recreational facility fee may be used only to finance, construct, operate, maintain, or improve student recreational facilities at the university.

(b) The board of regents may pledge the fees charged under this section to pay obligations issued pursuant to the revenue financing system of The University of Texas System.

(c) The recreational facility fee may not be charged unless the charging of the fee is approved by a majority vote of those students participating in a general student election called for that purpose.

(d) If approved in accordance with this section, the board of regents shall collect the recreational facility fees and deposit the fees in an account known as the recreational facility account.

(e) A recreational facility fee charged under this section may not be counted in determining the maximum amount of student services fees that may be charged under Section 54.503(b) of this code.

(f) The board of regents may permit a person who is not enrolled at The University of Texas at San Antonio to use a facility financed with recreational facility fees if:

(1) the person's use of the facility will not materially interfere with student demand or use;

(2) the person is charged a fee that is not less than the student fee and that is not less than the direct and indirect cost to the university of providing for the person's use; and

(3) the person's use will not materially increase the potential liability of the university.

(g) The board may not increase the amount of the recreational facility fee in any academic year unless the amount of the increase is approved by a majority vote of the students participating in a general student election held for that purpose. Added by Acts 1993, 73rd Leg., ch. 894, Sec. 1, eff. Aug. 30, 1993. Renumbered from V.T.C.A., Education Code Sec. 54.541 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(9), eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 575, Sec. 2, eff. June 20, 2003; Acts 2005, 79th Leg., ch. 1285, Sec. 1, eff. June 18, 2005.

Sec. 54.544. RECREATIONAL FACILITY FEE; THE UNIVERSITY OF TEXAS AT DALLAS. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Dallas a recreational facility fee to finance, construct, equip, operate, maintain, or improve student recreational facilities or programs at the university.

(b) A recreational facility fee may not exceed:

(1) \$65 for each student for a semester of the regular term or a summer session of 12 weeks or longer; and

(2) \$43.33 for each student for a summer session of less than 12 weeks.

(b-1), (b-2) Expired.

(c) A recreational facility fee may not be charged or increased unless charging or increasing the fee is approved by a majority vote of the students participating in a general student election called for that purpose.

(d) The board of regents shall collect a fee charged under this section and deposit the fee in an account known as the recreational facility account.

(e) The board of regents may pledge a fee charged under this section to pay an obligation issued under the revenue financing system of The University of Texas System.

(f) A fee charged under this section may not be counted in determining the maximum amount of student services fees that may be charged under Section 54.503(b).

(g) A recreational facility fee may not be collected after the 20th anniversary of the date it is first collected or after all bonded indebtedness for the recreational facility for which the fee receipts are pledged is paid, whichever is later.

Added by Acts 1995, 74th Leg., ch. 757, Sec. 6, eff. June 16, 1995. Amended by Acts 2003, 78th Leg., ch. 669, Sec. 1, eff. June 20, 2003.

Sec. 54.5441. STUDENT RECREATIONAL AND HEALTH FACILITIES FEE; MIDWESTERN STATE UNIVERSITY. (a) The board of regents of Midwestern State University may charge each student enrolled at the university a recreational and health facilities fee not to exceed \$130 per semester or summer session of longer than six weeks or \$65 per summer session of six weeks or less. The fee may be used to finance, construct, operate, renovate, or maintain recreational and wellness facilities and programs at the university.

(b) The recreational and health facilities fee authorized by this section may not be increased more than 10 percent from one academic year to the next unless the increase has been approved by a majority vote of those students participating in a general student election called for that purpose. The fee may not exceed the amounts provided by Subsection (a).

(c) The chief fiscal officer of the university shall collect any recreational and health facilities fee imposed under this section and shall deposit the money collected in an account to be known as the student recreational and health facilities account.

(d) A recreational and health facilities fee imposed under this section is not counted in determining the maximum student services fee that may be charged under Section 54.503.

Added by Acts 2005, 79th Leg., ch. 616, Sec. 1, eff. June 17, 2005.

Sec. 54.545. FEES FOR CONTINUING EDUCATION COURSES. (a) The governing board of an institution of higher education shall charge a reasonable fee to each person registered in a continuing education course at the institution. The board shall set the fee in an amount sufficient to permit the institution to recover the costs to the institution of providing the course.

(b) This section applies only to a course for which an institution does not collect tuition or receive formula funding, including an extension course, correspondence course, or other self-supporting course.

(c) Subchapters B and D do not apply to a fee charged under this section, except to a fee for a correspondence course taken by a student who would qualify for an exemption from tuition under Section 54.203 if the correspondence course applies towards the student's degree plan. The governing board of an institution of higher education may grant an exemption provided by Section 54.203 for continuing education courses.
Added by Acts 1995, 74th Leg., ch. 757, Sec. 5, eff. June 16, 1995.
Amended by Acts 1997, 75th Leg., ch. 1404, Sec. 1, eff. Sept. 1, 1997.

Sec. 54.546. STUDENT UNION FEES; THE UNIVERSITY OF TEXAS AT BROWNSVILLE. (a) The board of regents of The University of Texas System may impose on each student enrolled at The University of Texas at Brownsville a student union fee of not less than \$34.35 or more than \$70 for each semester or long summer session for the sole purpose of financing, constructing, operating, maintaining, renovating, and improving a student union building owned by Texas Southmost College and used by the partnership of The University of Texas at Brownsville and Texas Southmost College under Section 78.02. The fee may be imposed in addition to any other fee.

(b) Revenue from the fee imposed under this section shall be deposited to an account known as The University of Texas at Brownsville student union account. Money in the account shall be used in accordance with the terms of the partnership agreements entered into between The University of Texas at Brownsville and Texas Southmost College under Section 78.02.

(c) The board of trustees of the Southmost Union Junior College District may pledge revenue from a fee imposed under this section, whether received directly from a student or from The University of Texas at Brownsville, under the terms of the partnership agreement between The University of Texas at Brownsville and Texas Southmost College, for the payment of obligations issued by the Southmost Union Junior College District to finance the construction, operation, maintenance, renovation, and improvement of a student union building to be owned by Texas Southmost College and used by the two institutions under the partnership. If the fee imposed under this section is pledged to the payment of obligations issued by Southmost Union Junior College District, the board of regents of The University of Texas System may not pledge revenue from the fee for the payment of obligations issued for an authorized purpose under the revenue financing system of The University of Texas System.

(d) The board may not increase the amount of the fee by more than 10 percent in any academic year unless the amount of the increase is approved by a majority of the students voting in an election held for that purpose and by a majority of the members of the legislative body of the student government of the institution.

(e) Subject to the limitations of this section on the amount of the fee and any increase in the amount of the fee, the fee imposed under this section must be in the same amount as the student union fee charged a student at Texas Southmost College by the board of trustees of Southmost Union Junior College District. A student attending either or both institutions may be charged a student union fee by only one of the institutions.

Added by Acts 1999, 76th Leg., ch. 113, Sec. 1, eff. May 17, 1999.

Sec. 54.550. WELLNESS, RECREATIONAL, AND FITNESS COMPLEX FEE; THE UNIVERSITY OF TEXAS AT BROWNSVILLE. (a) The board of regents of The University of Texas System may charge each student enrolled at The University of Texas at Brownsville a wellness, recreational, and fitness complex fee. The amount of the fee may not exceed \$79 per student for each regular semester and \$39.50 per student for each term of the summer session.

(b) The board may:

(1) use revenue from the fee only to finance, construct, operate, maintain, renovate, or improve a wellness, recreational, and fitness complex owned by Texas Southmost College and used by the partnership of The University of Texas at Brownsville and Texas Southmost College under Section 78.02; and

(2) pledge revenue from the fee to pay an obligation issued for a purpose authorized by Subdivision (1) under the revenue financing system of The University of Texas System.

(c) The board shall deposit revenue from the fee to the credit of an account known as The University of Texas at Brownsville wellness, recreational, and fitness complex fee account. Money in the account shall be used in accordance with the terms of the

partnership agreements entered into between The University of Texas at Brownsville and Texas Southmost College under Section 78.02.

(d) The board may not increase the amount of the fee by more than 10 percent in any academic year unless the amount of the increase is approved by:

(1) a majority vote of the students participating in a general student election held at the institution for that purpose; and

(2) a majority of the members of the legislative body of the student government of the institution.

(e) A fee charged under this section is in addition to any other fee the board is authorized by law to charge.

(f) Subject to the limitations of this section on the amount of the fee and any increase in the amount of the fee, the fee charged under this section must be in the same amount as the wellness, recreational, and fitness complex fee charged a student at Texas Southmost College by the board of trustees of Southmost Union Junior College District. A student attending either or both institutions may be charged a wellness, recreational, and fitness complex fee by only one of the institutions.

(g) The board of trustees of the Southmost Union Junior College District may pledge revenue from a fee imposed under this section, whether received directly from a student or from The University of Texas at Brownsville, under terms of the partnership agreement between The University of Texas at Brownsville and Texas Southmost College, for the payment of obligations issued by the Southmost Union Junior College District to finance the construction, operation, maintenance, renovation, and improvement of a wellness, recreational, and fitness complex owned by Texas Southmost College and used by the two institutions under the partnership. If the fee imposed under this section is pledged to the payment of obligations issued by Southmost Union Junior College District, the board of regents of The University of Texas System may not pledge revenue from the fee for the payment of obligations issued for an authorized purpose under the revenue financing system of The University of Texas System.

Added by Acts 2005, 79th Leg., ch. 1223, Sec. 1, eff. June 18, 2005.

SUBCHAPTER F. PREPAID HIGHER EDUCATION TUITION PROGRAM

Sec. 54.6001. PUBLIC PURPOSE. An educated population being necessary to the social development and economic health of this state, the legislature finds and declares it to be an urgent public necessity to assist young Texans in obtaining a higher education. Because the state's population is rapidly growing and is diverse, the state is required to use all of the higher education facilities and resources within the state, both public and private, to provide a wide variety of educational environments and instructional options and to preserve the partnership between the state and private or independent institutions of higher education and between the state and career schools and colleges, as defined by Section 132.001, that offer a two-year associate degree as approved by the Texas Higher Education Coordinating Board. Therefore, the prepaid higher education tuition program is established to help Texas students attend the institution that best meets their individual needs.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1181, Sec. 1, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 364, Sec. 2.03, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.18, eff. Sept. 1, 2003.

Sec. 54.601. DEFINITIONS. In this subchapter:

(1) "Beneficiary" means a person who is entitled to receive benefits under a prepaid tuition contract.

(2) "Board" means the Prepaid Higher Education Tuition Board.

(3) "Estimated average private tuition and required fees" means an estimated average of tuition and required fees to be charged by private or independent institutions of higher education as determined annually by the board.

(4) "Fund" means the Texas tomorrow constitutional trust fund.

(5) "Institution of higher education" has the meaning assigned by Section 61.003.

(6) "Prepaid tuition contract" means a contract entered into under this subchapter by the board and a purchaser to provide for the payment of higher education tuition and required fees of a beneficiary.

(7) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

(8) "Program" means the prepaid higher education tuition program.

(9) "Career school or college" means a career school or college, as defined by Section 132.001, that offers a two-year associate degree as approved by the Texas Higher Education Coordinating Board.

(10) "Public junior college" has the meaning assigned by Section 61.003.

(11) "Public senior college or university" has the meaning assigned by Section 61.003.

(12) "Purchaser" means a person who is obligated to make payments under a prepaid tuition contract.

(13) "Account" means the Texas college savings plan account.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1181, Sec. 2, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1250, Sec. 2, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.04, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.19, eff. Sept. 1, 2003.

Sec. 54.602. ESTABLISHMENT OF BOARD; FUNCTION. (a) The Prepaid Higher Education Tuition Board is in the office of the comptroller.

(b) The board shall administer the prepaid higher education tuition program established under this subchapter and the higher education savings plan established under Subchapter G.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1250, Sec. 3, eff. June 15, 2001.

Sec. 54.603. SUNSET PROVISION. The Prepaid Higher Education Tuition Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and the programs established under this subchapter and under Subchapter G terminate September 1, 2007. Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1250, Sec. 4, eff. June 15, 2001.

Sec. 54.604. TERMINATION OR MODIFICATION OF PROGRAM. If the comptroller determines the program is financially infeasible, the comptroller shall notify the governor and the legislature and recommend that the program be modified or terminated.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.605. EFFECT OF TERMINATION OF PROGRAM ON CONTRACT. (a) A prepaid tuition contract remains in effect after the program is terminated if, when the program is terminated, the beneficiary:

(1) has been accepted by or is enrolled in an institution of higher education, a private or independent institution of higher education, or a career school or college; or

(2) is projected to graduate from high school not later than the third anniversary of the date the program is terminated.

(b) A prepaid tuition contract terminates when the program is terminated if the contract does not remain in effect under Subsection (a).

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1181, Sec. 3, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 364, Sec. 2.05, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.20, eff. Sept. 1, 2003.

Sec. 54.606. MEMBERS OF BOARD; APPOINTMENT; TERMS OF OFFICE. (a) The board consists of:

(1) the comptroller;

(2) two members appointed by the governor with the advice and consent of the senate; and

(3) four members appointed by the lieutenant governor, at least two of whom must be appointed from a list of persons recommended by the speaker of the house of representatives.

(b) The appointed members must possess knowledge, skill, and experience in higher education, business, or finance.

(c) The appointed members serve for staggered six-year terms. The terms of one-third of the appointed members expire on February 1 of each odd-numbered year.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.607. DUTY IN RECOMMENDING, MAKING, OR CONFIRMING

APPOINTMENTS. (a) In recommending, making, or confirming appointments to the board, the governor, lieutenant governor, speaker of the house of representatives, and senate shall ensure that each appointee has the background and experience suitable for performing the statutory responsibilities of a member of the board.

(b) Appointments to the board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.608. RESTRICTIONS ON BOARD APPOINTMENT, MEMBERSHIP, AND EMPLOYMENT. (a) A person is not eligible for appointment as a member of the board if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity receiving funds from the board;

(2) owns or controls, directly or indirectly, more than a 10-percent interest in a business entity receiving funds from the board; or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the board, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses.

(b) An officer, employee, or paid consultant of a Texas trade association in the field of higher education may not be a member or employee of the board who is exempt from the state's position classification plan or is compensated at or above the amount prescribed by the General Appropriations Act for step 1, salary group 17, of the position classification salary schedule.

(c) A person who is the spouse of an officer, manager, or paid consultant of a Texas trade association in the field of higher education may not be a board member and may not be a board employee who is exempt from the state's position classification plan or is compensated at or above the amount prescribed by the General Appropriations Act for step 1, salary group 17, of the position classification salary schedule.

(d) A person may not serve as a member of the board or act as the general counsel to the board if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the board.

(e) A person may not serve as an appointed member of the board if the person is related in the second degree by affinity or consanguinity, as determined under Subchapter B, Chapter 573, Government Code, to a person who is an officer, employee, or paid consultant of a Texas trade association in the banking, securities, or investment industry.

(f) For the purposes of this section, a Texas trade association is a nonprofit, cooperative, and voluntarily joined association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.609. REMOVAL OF BOARD MEMBER. (a) It is a ground for removal from the board if a member:

(1) violates a prohibition established by Section 54.608;

(2) cannot because of illness or disability discharge the member's duties for a substantial part of the term for which the member is appointed; or

(3) is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year unless the absence is excused by majority vote of the board.

(b) The validity of an action of the board is not affected by the fact that the action was taken when a ground for removal of a board member existed.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.610. TRAINING OF BOARD MEMBERS. (a) Before a member of the board may assume the member's duties and before an appointed member may be confirmed by the senate, the member must complete at least one course of the training program established under this section.

(b) A training program established under this section shall provide information to the member regarding:

(1) the enabling legislation that created the board;

- (2) the programs operated by the board;
- (3) the role and functions of the board;
- (4) the rules of the board, with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the board;
- (6) the results of the most recent formal audit of the board;
- (7) the requirements of the:
 - (A) open meetings law, Chapter 551, Government Code;
 - (B) open records law, Chapter 552, Government Code; and
 - (C) administrative procedure law, Chapter 2001, Government Code;
- (8) the requirements of the conflict of interest laws and other laws relating to public officials; and
- (9) any applicable ethics policies adopted by the board or the Texas Ethics Commission.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.611. BOARD OFFICERS. (a) The comptroller serves as the presiding officer of the board.

(b) The board shall appoint a secretary of the board whose duties may be prescribed by law and by the board.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.612. COMPENSATION AND EXPENSES OF APPOINTED BOARD MEMBERS. Appointed members of the board shall serve without pay but shall be reimbursed for their actual expenses incurred in attending meetings of the board or in performing other work of the board when that work is approved by the presiding officer of the board.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.613. MEETINGS. (a) The board shall hold regular quarterly meetings in the city of Austin and other meetings at places and times scheduled by the board in formal sessions and called by the presiding officer.

(b) The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the board.

(c) Minutes of all meetings shall be available in the board's office for public inspection.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.614. APPLICABILITY OF OPEN MEETINGS LAW AND ADMINISTRATIVE PROCEDURE LAW. The board is subject to the open meetings law, Chapter 551, Government Code, and the administrative procedure law, Chapter 2001, Government Code.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.615. EXECUTIVE DIRECTOR; STAFF. (a) The comptroller serves as the executive director of the board.

(b) The employees of the comptroller selected by the comptroller for that purpose serve as the staff of the board.

(c) The comptroller shall select and supervise the staff of the board and perform other duties delegated to the comptroller by the board.

(d) The comptroller shall provide to members of the board and to board staff, as often as necessary, information regarding their qualifications for office or employment under this subchapter and their responsibilities under applicable laws relating to standards of conduct for state officers or employees.

(e) The board shall develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the comptroller and the staff of the board.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.616. PROGRAM AND FACILITY ACCESSIBILITY. (a) The board shall comply with federal and state laws related to program and facility accessibility.

(b) The board shall prepare and maintain a written plan that describes how a person who does not speak English can be provided reasonable access to the board's programs and services.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.617. PUBLIC INTEREST INFORMATION AND COMPLAINTS. (a) The board shall prepare information of public interest describing the functions of the board and the board's procedures by which complaints are filed with and resolved by the

board. The board shall make the information available to the public and appropriate state agencies.

(b) The board by rule shall establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the board for the purpose of directing complaints to the board.

(c) The board shall keep information about each complaint filed with the board. The information shall include:

(1) the date the complaint is received;
(2) the name of the complainant;
(3) the subject matter of the complaint;
(4) a record of all persons contacted in relation to the complaint;

(5) a summary of the results of the review or investigation of the complaint; and

(6) for complaints for which the board took no action, an explanation of the reason the complaint was closed without action.

(d) The board shall keep a file for each written complaint filed with the board that the board has authority to resolve. The board shall provide to the person filing the complaint and the persons or entities complained about the board's policies and procedures pertaining to complaint investigation and resolution. The board, at least quarterly and until final disposition of the complaint, shall notify the person filing the complaint and the persons or entities complained about of the status of the complaint unless the notice would jeopardize an undercover investigation. Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.618. POWERS OF BOARD. (a) The board has the powers necessary or proper to carry out this subchapter.

(b) The board may:

(1) adopt an official seal;
(2) adopt rules to implement this subchapter;
(3) sue and be sued;
(4) enter into contracts and other necessary instruments;

(5) enter into agreements or other transactions with the United States, state agencies, including institutions of higher education, private or independent institutions of higher education, career schools and colleges, and local governments;

(6) appear in its own behalf before governmental agencies;

(7) contract for necessary goods and services and engage the services of private consultants, actuaries, trustees, records administrators, managers, legal counsel, and auditors for administrative or technical assistance;

(8) solicit and accept gifts, grants, loans, and other aid from any source or participate in any other way in any government program to carry out this subchapter;

(9) impose administrative fees;

(10) contract with a person to market the program;

(11) purchase liability insurance covering the board and employees and agents of the board; and

(12) establish other policies, procedures, and eligibility criteria to implement this subchapter.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1181, Sec. 4, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 364, Sec. 2.06, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.21, eff. Sept. 1, 2003.

Sec. 54.619. PREPAID HIGHER EDUCATION TUITION PROGRAM. (a) Under the program, a purchaser may enter into a prepaid tuition contract with the board under which the purchaser agrees to prepay the tuition and required fees for a beneficiary to attend an institution of higher education or private or independent institution of higher education.

(b) The board shall deposit the money paid under a prepaid tuition contract in the fund, invest the money and credit the income earned to the fund, and apply money in the fund to the tuition and required fees of the institution of higher education or private or independent institution of higher education in which the beneficiary enrolls as provided by the prepaid tuition contract.

(c) If the beneficiary of a plan described by Section 54.623, 54.624, or 54.625 enrolls in a private or independent institution of higher education, the board shall pay the institution the tuition and required fees the board would have paid

had the beneficiary enrolled in an institution of higher education covered by the plan selected in the prepaid tuition contract. The beneficiary is responsible for paying the private or independent institution of higher education the amount by which the tuition and required fees of the institution exceed the tuition and required fees paid by the board.

(d) If the beneficiary of a plan described by Section 54.6251 enrolls in an institution of higher education, the board shall pay:

(1) to the institution the tuition and required fees of the institution; and

(2) to the purchaser the amount by which the estimated average private tuition and required fees exceeds the tuition and required fees of the institution.

(e) If the beneficiary of a plan described by Section 54.6251 enrolls in a private or independent institution of higher education, the board shall pay:

(1) to the institution the lesser of:

(A) the tuition and required fees of the institution; or

(B) the estimated average private tuition and required fees; and

(2) to the purchaser the amount by which the estimated average private tuition and required fees exceeds the tuition and required fees of the institution.

(f) If the beneficiary of a plan described by Section 54.6251 enrolls in a private or independent institution of higher education, the beneficiary is responsible for paying the institution the amount by which the tuition and required fees of the institution exceeds the estimated average private tuition and required fees.

(g) If in any fiscal year there is not enough money in the fund to pay the tuition and required fees of the institution of higher education in which a beneficiary enrolls or the appropriate portion of the tuition and required fees of the private or independent institution of higher education in which the beneficiary enrolls as provided by the prepaid tuition contract, the comptroller shall transfer to the fund out of the first money coming into the state treasury not otherwise appropriated by the constitution the amount necessary for the board to pay the applicable amount of tuition and required fees of the institution.

(h) Notwithstanding other provisions of this subchapter, any contract benefits purchased under this subchapter may be applied to the payment of tuition and required fees at a career school or college as if the school or college were an institution of higher education or private or independent institution of higher education. On the purchaser's request, the board shall apply, in accordance with Section 54.628, any existing amount of prepaid tuition contract benefits to the payment of tuition and required fees at a career school or college. The board is not responsible for the payment of tuition and required fees at the career school or college in excess of that amount. The board may adopt rules as necessary to implement this subsection.

(i) [Blank].

(j) The board may temporarily suspend new enrollment in the program on the request of the comptroller as the comptroller considers necessary to ensure the actuarial soundness of the fund. Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 134, Sec. 1; Acts 1997, 75th Leg., ch. 522, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1181, Sec. 5, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 364, Sec. 2.07, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.22, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1310, Sec. 12, eff. June 20, 2003.

Sec. 54.620. PREPAID TUITION CONTRACT. (a) The board may contract with a purchaser for the purchaser to prepay the tuition and required fees for a beneficiary to attend an institution of higher education or private or independent institution of higher education to which the beneficiary is admitted as a student.

(b) The terms of a prepaid tuition contract shall be based on an actuarial analysis of:

(1) the rates of increase of:

(A) tuition and required fees at institutions of higher education; or

(B) estimated average private tuition and

required fees;

- (2) expected investment returns;
- (3) estimated administrative costs; and
- (4) the period between the date the contract is entered into and the date the beneficiary is projected to graduate from high school.

(c) The board shall adopt a form for a prepaid tuition contract to be used by the board and purchasers.

(d) A prepaid tuition contract must:

- (1) specify the amount and number of payments required from the purchaser on behalf of the beneficiary;

- (2) specify the terms under which the purchaser shall make payments, including the date on which each payment is due;

- (3) specify the consequences of default;

- (4) specify the name and date of birth of the beneficiary of the contract and the terms under which another person may be substituted as the beneficiary;

- (5) specify the number of credit hours contracted by the purchaser;

- (6) specify the type of plan toward which the contracted credit hours shall be applied;

- (7) contain an assumption of a contractual obligation by the board to the beneficiary to provide for a specified number of credit hours of undergraduate instruction at an institution of higher education or private or independent institution of higher education, not to exceed the typical number of credit hours required for the degree that corresponds to the plan purchased on behalf of the beneficiary;

- (8) specify the date the beneficiary is projected to graduate from high school; and

- (9) contain any other provisions the board considers necessary or appropriate.

(e) A prepaid tuition contract does not cover the cost of laboratory fees charged for specific courses.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.621. BENEFICIARY. (a) The beneficiary of a prepaid tuition contract must be younger than 18 years of age or 18 years of age or older and enrolled in high school at the time the purchaser enters into the contract and must be:

- (1) a resident of this state at the time the purchaser enters into the contract; or

- (2) a nonresident who is the child of a parent who is a resident of this state at the time that parent enters into the contract.

(b) The board may require a reasonable period of residence in this state for a beneficiary or the parent of a beneficiary.

(c) Notwithstanding any provision of Subchapter B, the tuition and required fees charged by an institution of higher education for semester hours and fees that are paid for by a prepaid tuition contract shall be determined as if the beneficiary of that contract were a resident student.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 522, Sec. 2, eff. Sept. 1, 1997; Acts 2005, 79th Leg., ch. 888, Sec. 7, eff. Sept. 1, 2005.

Sec. 54.622. TYPES OF PLANS. The board shall make prepaid tuition contracts available for the:

- (1) junior college plan;

- (2) senior college plan;

- (3) junior-senior college plan; and

- (4) private college plan.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.623. JUNIOR COLLEGE PLAN. Through the junior college plan, a prepaid tuition contract shall provide prepaid tuition and required fees for the beneficiary to attend a public junior college for a specified number of undergraduate credit hours not to exceed the typical number of hours required for a certificate or an associate degree awarded by a public junior college.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior college plan, a prepaid tuition contract shall provide prepaid tuition and required fees for the beneficiary to attend a public senior college or university for a specified number of undergraduate credit hours not to exceed the typical number of hours required for a baccalaureate degree awarded by a public senior college or university.

(b) When the beneficiary of a senior college plan prepaid tuition contract enrolls in a public senior college or university, the university shall accept as payment in full of the beneficiary's tuition and required fees the lesser of:

(1) the amount of tuition and required fees charged by the institution; or

(2) an amount paid by the board under the contract equal to the weighted average amount of tuition and required fees of all public senior colleges and universities for that semester or other academic period as determined by the board.

(c) Each public senior college or university shall provide the information requested by the board on or before June 1 each year to assist the board in determining the weighted average amount of tuition and required fees of all public senior colleges and universities for each semester or other academic term of the following academic year for purposes of this section.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 13, eff. June 20, 2003; Acts 2003, 78th Leg., ch. 1321, Sec. 4, eff. Sept. 1, 2003.

Sec. 54.6245. GRADUATE AND PROFESSIONAL DEGREE PLANS. (a) The board may establish one or more plans to allow a person to prepay all or part of the tuition and required fees for enrollment in a graduate or professional degree program at an institution of higher education or private or independent institution of higher education, if the board determines that:

(1) a particular plan is feasible; and

(2) there is sufficient demand for the plan to justify administration of the plan.

(b) The board may limit a plan established under this section to a specified field or fields of study, to a specified level or type of degree, or to a specified number of hours or semesters, as the board considers appropriate.

(c) The board is not required to continue offering a plan established under this section in subsequent years.

(d) The board may modify the terms of a prepaid tuition contract otherwise required by this subchapter for a plan established under this section as the board considers necessary.

Added by Acts 1999, 76th Leg., ch. 269, Sec. 1, eff. Aug. 30, 1999.

Sec. 54.625. JUNIOR-SENIOR COLLEGE PLAN. Through the junior-senior college plan, a prepaid tuition contract shall provide prepaid tuition and required fees for the beneficiary to attend:

(1) a public junior college for a specified number of undergraduate credit hours not to exceed the typical number of hours required for a person to receive a certificate or associate degree awarded by a public junior college; and

(2) a public senior college or university for a specified number of credit hours not to exceed the typical number of additional hours required for the person to receive a baccalaureate degree awarded by a public senior college or university.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.6251. PRIVATE COLLEGE PLAN. Through the private college plan, a prepaid tuition contract shall provide prepaid estimated average private tuition and required fees for the beneficiary to attend a private or independent institution of higher education for a specified number of undergraduate credit hours not to exceed the typical number of hours required for a baccalaureate degree awarded by a private or independent institution of higher education.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.6252. CONTRACT FOR ADDITIONAL CREDIT HOURS. (a) The board may permit the purchaser of a prepaid tuition contract for a senior college plan or a private college plan at any time during which the contract is in effect and before the beneficiary graduates from high school to enter into a supplemental contract to prepay the tuition and required fees of the beneficiary for a number of undergraduate credit hours, in addition to the undergraduate credit hours included in the primary contract, equal to the number of credit hours purchased for one year under the primary contract. The additional credit hours must be for the same type of institution as the credit hours purchased under the primary contract.

(b) The contract is subject to Section 54.620.

Added by Acts 1997, 75th Leg., ch. 522, Sec. 3, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1181, Sec. 6, eff. Sept. 1, 1999.

Sec. 54.626. CONTRACT PAYMENT. (a) The board may provide for the receipt of payments under prepaid tuition contracts in lump sums or installment payments. If the board allows payments under a contract to be made in installments over a period longer than one year, it must provide for those payments to be made in single annual installments in addition to any other permitted installment plans.

(b) A purchaser may make payments under a prepaid tuition contract by electronic funds transfer.

(c) An employee of the state or a political subdivision of the state may make payments under a prepaid tuition contract by payroll deductions made by the appropriate officer of the state or political subdivision.

(d) The board may impose a fee for a late payment under a prepaid tuition contract.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 95, Sec. 1, eff. May 15, 1997.

Sec. 54.6261. DEFERRED USE OF PREPAID CREDIT HOURS. (a) A prepaid tuition contract must permit the beneficiary to elect to pay from another source the beneficiary's tuition and required fees for some or all of the semester credit hours to which the beneficiary is entitled to payment under the contract, and to defer to a subsequent semester or term the right to payment of the beneficiary's tuition and required fees for the number of semester credit hours remaining under the contract. The beneficiary is responsible for payment of the amount of tuition and required fees for the number of semester credit hours that the beneficiary elects not to pay under the contract.

(b) This section does not affect the date on which a prepaid tuition contract terminates under this subchapter and does not give the beneficiary the right to any payment under the contract after termination of the contract.

Added by Acts 1997, 75th Leg., ch. 522, Sec. 3, eff. Sept. 1, 1997.

Sec. 54.6262. APPLICATION OF UNUSED CREDIT HOURS TO GRADUATE TUITION. (a) If the beneficiary of a prepaid tuition contract registers in a graduate or professional degree program before the termination of the contract and the beneficiary has not received payment under the contract for tuition and required fees for all of the semester credit hours to which the beneficiary is entitled, the beneficiary may apply the value of the remaining semester credit hours under the contract to the payment of the beneficiary's tuition and required fees in the graduate or professional degree program.

(b) For purposes of this section, the value of a semester credit hour under a prepaid tuition contract is equal to the average amount of undergraduate tuition and required fees for a semester credit hour that would have been paid under the contract if the beneficiary registered in an undergraduate program for the same term or semester for which the beneficiary applies the payment to the beneficiary's tuition and required fees in a graduate or professional degree program under this section.

(c) This section does not affect the date on which a prepaid tuition contract terminates under this subchapter and does not give the beneficiary the right to any payment under the contract after termination of the contract.

Added by Acts 1997, 75th Leg., ch. 522, Sec. 3, eff. Sept. 1, 1997.

Sec. 54.627. CHANGE OF BENEFICIARY. (a) The purchaser of a prepaid tuition contract may designate a new beneficiary instead of the original beneficiary if the new beneficiary meets the requirements of a beneficiary on the date the designation is changed. Except as provided by Subsection (b), the new beneficiary must meet the requirements of Section 529 of the Internal Revenue Code of 1986 so that the change of beneficiary is not treated as a distribution under that law.

(b) If the purchaser is this state, a local government of this state, or an organization exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986 because it is listed in Section 501(c)(3) of that code that purchases an interest in a prepaid tuition contract as part of a scholarship program operated by the government or organization, the purchaser may designate a new beneficiary without regard to the relationship of the new beneficiary to the original beneficiary.

(c) The board may adjust the terms of the contract so that the purchaser is required to pay the amount the purchaser would have been required to pay had the purchaser originally designated the new beneficiary as the beneficiary, taking into account any

payments made before the date the designation is changed.

(d) The purchaser of a prepaid tuition contract may not sell the contract.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 1997, 75th Leg., ch. 522, Sec. 4, eff. Sept. 1, 1997.

Sec. 54.628. CONVERSION TO ANOTHER PLAN. (a) A purchaser may convert a prepaid tuition contract from one plan to another plan.

(b) The board may adjust the terms of the contract so that the purchaser is required to pay the amount required under the plan to which the contract is converted, taking into account any payments made before the date the contract is converted.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.629. VERIFICATION UNDER OATH. The board may require a purchaser to verify under oath a request to:

- (1) change a beneficiary;
- (2) convert a contract to another plan; or
- (3) terminate a contract.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.630. PROMISE OR GUARANTEE OF ADMISSION. This subchapter is not a promise or guarantee that a beneficiary will be:

(1) admitted to any institution of higher education or private or independent institution of higher education;

(2) admitted to a particular institution of higher education or private or independent institution of higher education;

(3) allowed to continue enrollment at an institution of higher education or private or independent institution of higher education after admission; or

(4) graduated from an institution of higher education or private or independent institution of higher education.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.631. CONTRACT TERMINATION. (a) A prepaid tuition contract shall specify:

(1) the name of any person who may terminate the contract; and

(2) the terms under which the contract may be terminated.

(b) A prepaid tuition contract terminates on the 10th anniversary of the date the beneficiary is projected to graduate from high school, not counting time spent by the beneficiary as an active duty member of the United States armed services.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.632. REFUND. (a) A prepaid tuition contract shall specify:

(1) the name of the person entitled to any refund if the contract is terminated;

(2) the terms under which a person is entitled to a refund; and

(3) the method by which the amount of the refund is calculated.

(b) The person named in the contract is entitled to a refund following termination of a prepaid tuition contract.

(c) The board shall determine the method by which the amount of the refund is calculated.

(d) The board shall comply with Section 529 of the Internal Revenue Code of 1986 in imposing penalties for refunds and excess amounts payable under Sections 54.619(d) and (e).

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 522, Sec. 5, eff. Sept. 1, 1997.

Sec. 54.633. PREPAID HIGHER EDUCATION TUITION SCHOLARSHIPS FOR STUDENTS. (a) To the extent money is available, the board or the board of a direct-support organization established by the board under Subsection (e) may award a prepaid higher education tuition scholarship to a student who meets:

(1) economic or academic requirements adopted by the board; or

(2) economic or academic requirements established by the board of a direct-support organization that are approved by the board.

(b) A scholarship awarded under this section terminates if the student to whom the scholarship is awarded is:

- (1) convicted of, or adjudicated as having engaged in

delinquent conduct constituting, an offense under Chapter 481, Health and Safety Code; or

(2) convicted of, or adjudicated as having engaged in delinquent conduct constituting, a felony or Class A misdemeanor.

(c) The board shall ensure that each region of the state is equitably represented in the awarding of scholarships under this section.

(d) Scholarships under this section may be funded by the private sector, the state, or a local government of the state.

(e) The board may establish a direct-support organization under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) to:

(1) receive, hold, invest, and administer money, gifts, grants, loans, or other property for or on behalf of the program;

(2) purchase and award scholarships under this section; and

(3) establish economic and academic eligibility requirements that are approved by the board.

(f) The board of directors of the direct-support organization consists of:

(1) the comptroller;

(2) a member appointed by the governor with the advice and consent of the senate; and

(3) three members appointed jointly by the comptroller and the member appointed by the governor.

(g) The comptroller serves as executive director of the board of the direct-support organization. The comptroller shall:

(1) select and assign employees of the comptroller to serve as the staff to the board of the direct-support organization;

(2) select and supervise the staff of the board of the direct-support organization and perform other duties delegated to the comptroller by the board of the direct-support organization; and

(3) provide to the board of the direct-support organization and to that board's staff, as necessary, information regarding that board's qualifications for office or employment under this subchapter and responsibilities under applicable laws relating to standards of conduct for state officers or employees.

(h) The board of the direct-support organization shall develop and implement policies that clearly separate the policy-making responsibilities of the board of the direct-support organization and the management responsibilities of the comptroller and the staff of the board of the direct-support organization.

(i) The board must certify that the direct-support organization operates in a manner consistent with the goals of this state and in the best interests of this state.

(j) The board may contract with an independent certified public accountant to annually audit the direct-support organization under rules adopted by the board. The board shall submit the audit to the comptroller, governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, state auditor, and Texas Higher Education Coordinating Board. The comptroller or state auditor may require the direct-support organization or independent certified public accountant to provide additional information relating to the operation of the organization.

(k) The identity of a donor under this section who desires to remain anonymous and the records of the direct-support organization, other than the records disclosed under Subsection (j), are confidential.

(l) A prepaid tuition contract may be purchased for scholarship purposes under this section without identifying a specific beneficiary.

(m) In awarding a scholarship under this section, the awarding entity may not award a scholarship using funds derived from this state or a local government unless the awarding entity determines, using sound actuarial principles, that awarding the scholarship will not jeopardize the soundness of the fund or require an appropriation from the state to cover the tuition and required fees.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 522, Sec. 6, eff. Sept. 1, 1997.

Sec. 54.634. ESTABLISHMENT OF TRUST FUND; COLLEGE SAVINGS PLAN ACCOUNT. (a) The Texas tomorrow constitutional trust fund is created as a trust fund to be held with the comptroller. The fund consists of:

- (1) state appropriations for purposes of the fund;
- (2) money acquired from other governmental or private sources;
- (3) money paid under prepaid tuition contracts; and
- (4) the income from money deposited in the fund.

(b) The board shall administer the assets of the fund. The board is the trustee of the fund's assets.

(c) The board may:

(1) segregate contributions and payments to the fund into various accounts; and

(2) acquire, hold, manage, purchase, sell, assign, trade, transfer, and dispose of any security, evidence of indebtedness, or other investment in which the fund's assets may be invested.

(d) The Texas college savings plan account is created within the Texas tomorrow constitutional trust fund and is financed through administrative fees and service charges as authorized by Section 54.702(c).

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1250, Sec. 4, eff. June 15, 2001.

Sec. 54.635. COMPTROLLER . (a) Except as provided by Subsection (d), the comptroller is the custodian of the assets of the fund.

(b) The comptroller shall pay money from the fund on a warrant drawn by the comptroller supported only on a voucher signed by the comptroller or the comptroller's authorized representative.

(c) The comptroller annually shall furnish to the board a sworn statement of the amount of the fund's assets in the comptroller's custody.

(d) The board may select one or more commercial banks, depository trust companies, or other entities to serve as custodian of all or part of the fund's assets.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 5.13, eff. Sept. 1, 1997.

Sec. 54.636. INVESTMENT OF FUND ASSETS. (a) The board shall invest the assets of the fund.

(b) The board may contract with private professional investment managers to assist the board in investing the assets of the fund.

(c) The board shall develop written investment objectives concerning the investment of the assets of the fund. The objectives may address desired rates of return, risks involved, investment time frames, and any other relevant considerations.

(d) The comptroller shall develop a comprehensive plan for the investment of the assets of the fund consistent with the objectives developed by the board under Subsection (c). The plan shall specify the policies under which the board shall invest the assets of the fund. The board must approve the plan.

(e) In making investments of the assets of the fund, the board shall exercise the judgment and care, under the circumstances at the time of the investment, that a person of ordinary prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation but for making a permanent disposition of funds, considering the probable income from the disposition and the probable safety of capital.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 522, Sec. 7, eff. Sept. 1, 1997.

Sec. 54.637. USE OF FUND ASSETS. The assets of the fund may be used only to:

(1) pay the costs of program administration and operations;

(2) make payments to institutions of higher education or private or independent institutions of higher education on behalf of beneficiaries; and

(3) make refunds under prepaid tuition contracts.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.6385. EXEMPTION FROM SECURITIES LAWS. The registration requirements of The Securities Act (Article 581-1 et

seq., Vernon's Texas Civil Statutes) do not apply to the sale of a prepaid tuition contract by the board or by a registered securities dealer or registered investment adviser.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1091, Sec. 4.01, eff. Sept. 1, 2001.

Sec. 54.639. EXEMPTION FROM CREDITORS' CLAIMS. (a) Money in the fund is exempt from claims of creditors, including claims of creditors of a purchaser, a beneficiary, or a successor in interest of a purchaser or beneficiary.

(b) The rights of a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary in and under a prepaid tuition contract and the payment of tuition and required fees for a beneficiary under a prepaid tuition contract to an institution of higher education or a private or independent institution of higher education under this chapter are exempt from attachment, levy, garnishment, execution, and seizure for the satisfaction of any debt, judgment, or claim against a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary.

(c) A claim or judgment against a purchaser, beneficiary, or a successor in interest of a purchaser or beneficiary does not impair or entitle the claim or judgment holder to assert or enforce a lien against:

(1) the rights of a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary in and under a prepaid tuition contract; or

(2) the right of a beneficiary to the payment of tuition and required fees to an institution of higher education or a private or independent institution of higher education under a prepaid tuition contract.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 522, Sec. 8, eff. Sept. 1, 1997.

Sec. 54.640. ACTUARIAL SOUNDNESS OF FUND. (a) The board shall administer the fund in a manner that is sufficiently actuarially sound to pay the costs of program administration and operations and meet the obligations of the program.

(b) The board shall annually evaluate the actuarial soundness of the fund.

(c) The board may adjust the terms of subsequent prepaid tuition contracts as necessary to ensure the actuarial soundness of the fund.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.6401. COMPLIANCE WITH LIMITS ON CONTRIBUTIONS AND WITHDRAWALS. The board shall monitor contributions to and withdrawals from the fund and any account within the fund to ensure that any applicable limits on contributions or withdrawals are not exceeded.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 5, eff. June 15, 2001.

Sec. 54.641. STATEMENT REGARDING STATUS OF PREPAID TUITION CONTRACT. (a) Not later than January 1 of each year, the board shall furnish without charge to each purchaser a statement of:

(1) the amount paid by the purchaser under the prepaid tuition contract;

(2) the number of credit hours originally covered by the contract;

(3) the number of credit hours remaining under the contract; and

(4) any other information the board determines by rule is necessary or appropriate.

(b) The board shall furnish a statement complying with Subsection (a) to a purchaser or beneficiary on written request. The board may charge a reasonable fee for each statement furnished under this subsection.

Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 522, Sec. 9, eff. Sept. 1, 1997.

Sec. 54.642. REPORTS. (a) Not later than December 1 of each year, the board shall submit to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, state auditor, and Texas Higher Education Coordinating Board a report including:

(1) the board's fiscal transactions during the preceding fiscal year;

(2) the market and book value of the fund as of the end

of the preceding fiscal year;

(3) the asset allocations of the fund expressed in percentages of stocks, fixed income, cash, or other financial investments;

(4) the rate of return on the investment of the fund's assets during the preceding fiscal year; and

(5) an actuarial valuation of the assets and liabilities of the program, including the extent to which the program's liabilities are unfunded.

(b) The board shall make the report described by Subsection (a) available to purchasers of prepaid tuition contracts.

(c) Not later than December 1 of each year, the board shall provide to the Texas Higher Education Coordinating Board complete prepaid tuition contract sales information, including projected enrollments of beneficiaries at institutions of higher education. Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995.

Sec. 54.643. CONFIDENTIALITY. (a) Records in the custody of the board relating to the participation of specific purchasers and beneficiaries in the program are confidential.

(b) Notwithstanding Subsection (a), the board may release information described by that subsection to an institution of higher education in which a beneficiary may enroll or is enrolled. The institution of higher education shall keep the information confidential.

(c) Notwithstanding any other provision of this subchapter, the board may release information to the Internal Revenue Service and to any state tax agencies as required by applicable tax law. Added by Acts 1995, 74th Leg., ch. 1032, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 522, Sec. 10, eff. Sept. 1, 1997.

Sec. 54.644. TAX EXEMPT STATUS REQUIREMENTS. (a) The provisions of this section are intended to meet the requirements of Section 529 of the Internal Revenue Code of 1986.

(b) A payment of an amount due to the fund for a prepaid tuition contract must be made in cash. A person may not make a payment to the fund in excess of the amounts required to be paid under a prepaid tuition contract.

(c) The board shall maintain a separate accounting for each beneficiary.

(d) The purchaser of a prepaid tuition contract and the beneficiary of the contract may not control or direct the investment of payments under the contract or any earnings of the fund.

(e) The purchaser of a prepaid tuition contract and the beneficiary of the contract may not use any interest in the contract as security for a loan or other obligation.

(f) The board shall make reports required by the secretary of the United States Treasury. Added by Acts 1997, 75th Leg., ch. 522, Sec. 11, eff. Sept. 1, 1997.

SUBCHAPTER G. HIGHER EDUCATION SAVINGS PLAN

Sec. 54.701. DEFINITIONS. In this subchapter:

(1) "Beneficiary" means an individual designated as the individual whose qualified higher education expenses are expected to be paid from the savings trust account.

(2) "Board" means the Prepaid Higher Education Tuition Board.

(3) "Eligible educational institution" has the meaning assigned by Section 529, Internal Revenue Code of 1986, as amended.

(4) "Financial institution" means a bank, trust company, savings and loan association, credit union, broker-dealer, mutual fund, insurance company, or other similar financial institution authorized to transact business in this state.

(5) "Nonqualified withdrawal" means a withdrawal from a savings trust account other than:

(A) a qualified withdrawal;

(B) a withdrawal made as the result of the death or disability of the beneficiary of the account; or

(C) a withdrawal made due to a scholarship or to an allowance or payment described by Section 135(d)(1)(B) or (C), Internal Revenue Code of 1986, as amended, received by the beneficiary to the extent the amount of the withdrawal does not exceed the amount of the scholarship, allowance, or payment, in accordance with federal law.

(6) "Plan" means the higher education savings plan established under this subchapter.

(7) "Plan manager" means a financial institution under contract with the board to serve as plan administrator.

(8) "Qualified higher education expenses" means tuition, fees, or expenses for books, supplies, and equipment required for the enrollment or attendance of an individual at an eligible educational institution, the costs of room and board, and any other higher education expenses that may be permitted under Section 529, Internal Revenue Code of 1986, as amended.

(9) "Qualified withdrawal" means a withdrawal from a savings trust account to pay the qualified higher education expenses of the beneficiary of the account.

(10) "Savings trust account" means an account established through the plan by an individual under this subchapter on behalf of a beneficiary in order to apply distributions from the account toward qualified higher education expenses at eligible educational institutions.

(11) "Savings trust agreement" means the agreement between an individual establishing a savings trust account and the board.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.702. POWERS AND DUTIES OF BOARD. (a) The board shall:

(1) develop and implement the plan in a manner consistent with this subchapter;

(2) select the financial institution or institutions to serve as plan manager; and

(3) adopt rules governing withdrawal of money from a savings trust account and develop policies and penalties for nonqualified withdrawals.

(b) The board may seek rulings and other guidance from the United States Department of the Treasury, the Internal Revenue Service, and the Securities and Exchange Commission relating to the plan as necessary for proper implementation and development of the plan. The board shall make changes to the plan as necessary for savings trust account owners and beneficiaries of the plan to obtain or maintain federal income tax benefits or treatment provided by Section 529, Internal Revenue Code of 1986, as amended, and exemptions under federal securities laws.

(c) The board shall collect administrative fees and service charges in connection with any agreement, contract, or transaction relating to the plan in amounts not exceeding the cost of establishing and maintaining the plan.

(d) A savings trust agreement must be developed and approved by the board. The board shall review for compliance with applicable law and must approve in advance any informational materials that a plan manager provides to participants or potential participants in the plan.

(e) The board shall adopt a policy to prevent contributions to an account on behalf of a beneficiary in excess of those necessary to pay the qualified higher education expenses of the beneficiary.

(f) The board shall monitor contributions to and withdrawals from the plan and each plan account to ensure that any applicable limits on contributions or withdrawals are not exceeded.

(g) The board shall prepare and file statements and information returns relating to accounts to the extent required by federal or state tax law.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.703. OPERATION OF PLAN; ACCOUNTS HELD IN TRUST. (a) The board shall administer a higher education savings plan to enable individuals to save money for the qualified higher education expenses of an individual by establishing a savings trust account in the plan.

(b) Money contributed to a savings trust account and earnings on the account are held in trust by the board for the sole benefit of the account owner and beneficiary.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.704. SELECTION OF FINANCIAL INSTITUTION AS PLAN MANAGER. (a) The board shall contract with one or more financial institutions to serve as plan manager and to invest the money in savings trust accounts. The board shall ensure that investments by a plan manager are made with the judgment and care that persons of prudence, discretion, and intelligence exercise in the management

of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital.

(b) The board shall solicit proposals from financial institutions to serve as plan managers.

(c) The board shall select a plan manager or managers from among bidding financial institutions that demonstrate the most advantageous combination to account owners and beneficiaries, based on the following factors:

(1) financial stability and integrity;

(2) the ability of the financial institution, directly or through a subcontract, to satisfy recordkeeping and reporting requirements;

(3) the financial institution's strategy for promoting the plan and the investment that the financial institution is willing to make to promote the plan;

(4) the historic ability of the portfolios or investment strategies to be used by the financial institution to track the estimated costs of higher education as calculated by the United States Department of Education;

(5) the fees, if any, proposed to be charged to account owners for maintaining accounts;

(6) the minimum contributions that the financial institution will require and the willingness of the financial institution to accept contributions through payroll deduction plans or systematic deposit plans; and

(7) any other proposed benefits to this state or to its residents.

(d) The board may require that any financial institution selected provide several investment options to account owners, taking into consideration the age of the beneficiary and the number of years remaining until likely enrollment at an eligible educational institution. To the extent permitted by federal law, the investment options may include mutual funds, fixed annuities, variable annuities, and variable life insurance policies.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.705. DUTIES OF PLAN MANAGER. (a) A plan manager shall:

(1) take all actions required to keep the plan in compliance with this subchapter, to ensure that the plan qualifies as a qualified state tuition program under Section 529, Internal Revenue Code of 1986, as amended, and to ensure that the plan is exempt from registration under federal securities law;

(2) keep adequate and separate records of each savings trust account and provide the board with the information necessary to prepare the reports required by Section 529, Internal Revenue Code of 1986, as amended, or to file those reports on behalf of the board;

(3) compile necessary information for statements to account owners and statements required by federal or state tax law and provide those compilations to the board; and

(4) provide representatives of the board with access to the books and records of the manager as necessary to determine compliance with the plan manager contract.

(b) A plan manager shall hold all savings trust accounts in trust as authorized by the board in the plan manager contract. A plan manager shall make investments according to the standard provided by Section 54.704(a).

(c) A plan manager shall develop a strategy to promote the plan and, on approval by the board, promote the plan according to that strategy.

(d) A plan manager may provide for any financial institution to market the plan on its behalf and to provide account services to an individual who opens or owns a savings trust account administered by the plan manager. A financial institution that markets the plan or provides account services under this subsection may charge a fee or commission for those services.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.706. CONTRACT BETWEEN BOARD AND PLAN MANAGER. (a) A contract between the board and a financial institution to act as a plan manager under this subchapter must be for a term of at least five years and may be renewable.

(b) If the contract is not renewed, the following conditions apply at the end of the term of the contract, so long as applying the conditions does not disqualify the plan as a qualified state

tuition program under Section 529, Internal Revenue Code of 1986, as amended:

(1) the board shall continue to maintain the plan at the financial institution;

(2) accounts previously established at the financial institution may not be terminated, except as provided by Subdivision (5) or Subsection (c);

(3) additional contributions may be made to the accounts;

(4) new accounts may not be opened with that financial institution; and

(5) if the board determines that continuing the accounts at that financial institution is not in the best interest of the account owners, the accounts may be transferred to another financial institution acting as a plan manager.

(c) The board may cancel a plan manager contract with a financial institution for a violation of the contract or a provision of this subchapter by the financial institution at any time. If a contract is terminated under this subsection, the board shall take custody of accounts held at that financial institution and shall promptly seek to transfer the accounts to another financial institution acting as a plan manager and into investment instruments as similar to the original investment instruments as possible.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.707. SAVINGS TRUST ACCOUNTS. (a) An individual may open a savings trust account to save money for the payment of the qualified higher education expenses of a beneficiary. The individual who opens the account is the owner of the account. The owner of the account may also be the beneficiary.

(b) An individual may open an account by entering into a savings trust agreement with the board as prescribed and approved by the board and making the minimum contribution required by the plan manager selected by the individual to open an account.

(c) A savings trust agreement must include the following terms:

(1) the name and address of the savings trust account owner;

(2) the name, address, and date of birth of the beneficiary on whose behalf the account is opened;

(3) the maximum and minimum contributions allowed to the account;

(4) provisions for withdrawals, refunds, transfers, and any penalties;

(5) terms and conditions for a substitution of the beneficiary originally named;

(6) terms and conditions for termination of the account, including any refunds, withdrawals, or transfers, and applicable penalties, and the name of the person or persons entitled to terminate the account;

(7) all other rights and obligations of the account owner, the plan manager, and the board; and

(8) any other terms and conditions the board considers necessary or appropriate, including those necessary to conform the savings trust account to the requirements of Section 529, Internal Revenue Code of 1986, as amended, or other applicable federal law.

(d) An account owner may change the designated beneficiary of an account as provided by Section 529, Internal Revenue Code of 1986, as amended, in accordance with procedures established by the board.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.708. CONTRIBUTIONS AND WITHDRAWALS; PENALTY FOR NONQUALIFIED WITHDRAWAL. (a) Contributions to a savings trust account may be made only in cash or by electronic funds transfer. An employee of the state or a political subdivision of the state may make contributions to a savings trust account by payroll deductions made by the appropriate officer of the state or political subdivision.

(b) An account owner may withdraw all or part of the balance of an account on prior notice as authorized by board rules. The board shall adopt rules governing the determination whether a withdrawal is a qualified withdrawal or a nonqualified withdrawal. The rules may require an account owner requesting to make a qualified withdrawal to provide a certification of qualified higher education expenses.

(c) In the case of a nonqualified withdrawal from an account, an amount equal to 10 percent of the portion of the withdrawal constituting income as determined in accordance with Section 529, Internal Revenue Code of 1986, as amended, shall be withheld as a penalty.

(d) The amount of the penalty prescribed by Subsection (c) may be increased if the board determines that the increased penalty is necessary to constitute a greater than de minimis penalty for purposes of qualifying the plan as a qualified state tuition program under Section 529, Internal Revenue Code of 1986, as amended.

(e) The amount of the penalty prescribed by Subsection (c) may be decreased by board rule if the board determines that:

(1) the amount of the penalty prescribed by Subsection (c) is greater than required to constitute a greater than de minimis penalty for purposes of qualifying the plan as a qualified state tuition program under Section 529, Internal Revenue Code of 1986, as amended; and

(2) the penalty together with other revenue generated under this subchapter is producing more revenue than required to cover the costs of operating the plan and to recover any prior costs not previously recovered.

(f) Penalties collected under this subchapter shall be used to cover costs of administering this subchapter, and any excess shall be treated as earnings of the savings trust accounts in the plan.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.709. ADMINISTRATION OF ACCOUNTS. (a) A plan manager shall provide separate accounting for each savings trust account.

(b) An account owner or beneficiary may not direct the investment of any contributions to or earnings on an account.

(c) If the board terminates the contract of a financial institution to act as a plan manager and accounts must be transferred from that financial institution to another financial institution, the board shall select the financial institution to which the balances of the accounts are transferred.

(d) A savings trust agreement must provide that, if after a specified period the savings trust agreement has not been terminated and the beneficiary's rights in the account have not been exercised, the board, after making reasonable efforts to contact the owner and beneficiary of the account or their agents, shall report the unclaimed money in the account to the comptroller.

(e) Money in a savings trust account is exempt from attachment, execution, and seizure for the satisfaction of debt or liability of an account owner or beneficiary.

(f) A savings trust account may not be assigned for the benefit of creditors, used as security or collateral for any loan, or otherwise subject to alienation, sale, transfer, assignment, pledge, encumbrance, or charge.

(g) A distribution from an account to any individual or for the benefit of any individual during a calendar year shall be reported to the Internal Revenue Service and to the account owner or the beneficiary to the extent required by federal law.

(h) A plan manager shall provide an annual statement to each account owner not later than the January 31 after the end of each calendar year and may provide statements more frequently than annually. A statement must identify the contributions made during the reporting period, the total contributions made through the end of the reporting period, the value of the account at the end of the reporting period, withdrawals made during the reporting period, and any other information the board requires.

(i) Notwithstanding Subsection (b), if Section 529, Internal Revenue Code of 1986, as amended, is amended to permit an account owner to direct the investment of a contribution to or an account balance in a qualified state tuition program, the board in each subsequent plan manager contract shall provide that each plan manager must provide a savings trust account owner with the ability to direct the investment of a contribution to the account or the balance in the account among a wide variety of investment options.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.710. PLAN LIMITATIONS. (a) Nothing in this subchapter or in any savings trust agreement entered into under this subchapter may be construed to:

(1) give a beneficiary any rights or legal interest with respect to a savings trust account unless the beneficiary is

the account owner;

(2) guarantee that amounts saved under the plan will be sufficient to cover the qualified higher education expenses of a beneficiary; or

(3) establish state residency for tuition or other purposes for a beneficiary because of the designation as a beneficiary.

(b) Nothing in this subchapter or in any savings trust agreement entered into under this subchapter may be construed to create any obligation of the state, any agency or instrumentality of the state, or a plan manager to guarantee for the benefit of an account owner or beneficiary:

(1) the return of any amount contributed to an account;

(2) the rate of interest or other return on an account;

(3) the payment of interest or other return on an account; or

(4) tuition rates or the cost of related education expenditures.

(c) The board by rule shall require that every savings trust agreement, deposit slip, and other similar document used in connection with a contribution to an account clearly indicate that the account is not insured by this state and that neither the principal deposited nor the investment return is guaranteed by this state.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.711. NO PROMISE OF ADMISSION, ENROLLMENT, OR GRADUATION. The opening or maintenance of a savings trust account does not promise or guarantee that a beneficiary of the account will:

(1) be admitted to any eligible educational institution;

(2) be admitted to a particular eligible educational institution;

(3) be allowed to continue enrollment at an eligible educational institution after admission; or

(4) receive a degree or certificate from an eligible educational institution.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.712. RESIDENCY NOT REQUIRED. A savings trust account owner or beneficiary is not required to be a resident of this state.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.713. POLICIES FOR PROMOTION AND DISCLOSURE OF INFORMATION. The board shall adopt policies for promotion of the plan and the disclosure of plan information to savings trust account owners and beneficiaries in a manner consistent with this subchapter and the requirements of Section 529, Internal Revenue Code of 1986, as amended, to ensure that:

(1) promotional material and plan information disclose that no money invested in the plan is insured by this state and that neither the principal deposited nor the investment returned is guaranteed by this state; and

(2) any fees imposed under this subchapter are disclosed in promotional material and plan information provided to the public and to account owners and beneficiaries.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.714. CONFIDENTIALITY OF RECORDS. (a) Except as otherwise provided by this section, all information relating to the plan is public and subject to disclosure under Chapter 552, Government Code.

(b) Information relating to a beneficiary or owner of a savings trust account, including any personally identifiable information about an owner or beneficiary, is confidential except that the board may disclose that information to an account owner regarding the owner's account.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.715. TERMINATION OR MODIFICATION OF PLAN. If the comptroller determines that the plan is not financially feasible, the comptroller shall notify the governor and the legislature and recommend that the board not administer a higher education savings plan or that the plan be modified or terminated.

Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.

Sec. 54.716. EFFECT OF TERMINATION OF PLAN ON SAVINGS TRUST AGREEMENT. If the plan is terminated, the balance of each savings

trust account shall be paid to the account owner, to the extent possible, and any unclaimed assets shall escheat to the state in accordance with general law regarding unclaimed property.
Added by Acts 2001, 77th Leg., ch. 1250, Sec. 1, eff. June 15, 2001.