

## **BILL ANALYSIS**

Senate Research Center

H.B. 634  
By: Pitts (Ratliff)  
Finance  
4-13-97  
Engrossed

### **DIGEST**

Currently, prepaid higher education payments to the Texas Tomorrow Fund are made in monthly installments. While monthly payments are allowed, lump sum yearly payments are not. This bill would allow yearly lump sum contributions to the Texas Tomorrow Fund.

### **PURPOSE**

As proposed, H.B. 634 would allow yearly lump sum contributions to the Texas Tomorrow Fund.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 54.626(a), Education Code, to require the Prepaid Higher Education Tuition Board (board), to provide for payments to be made to the Texas Tomorrow Fund in single annual installments in addition to any other permitted installment plans, if the board allows payments under a contract to be made in installments over a period longer than one year.

SECTION 2. (a) Requires the board to begin offering single annual installments as required by this Act no later than January 1, 1998.

(b) Sets forth requirements of converting a prepaid tuition contract to provide for annual installments.

SECTION 3 Emergency clause.  
Effective date: upon passage.