

## **BILL ANALYSIS**

Senate Research Center  
77R6615 KEL-D

S.B. 1205  
By: Jackson  
Education  
3/26/2001  
As Filed

### **DIGEST AND PURPOSE**

Section 132.001 of the Texas Proprietary School Act defines the term “proprietary school” to mean “any business enterprise...that maintains a place of business within this state, or that solicits business within this state...” and that offers “a course or courses of instruction or study...for the purpose of preparing a person for a new field of endeavor in a business, trade, technical, or industrial occupation or for avocational or personal improvement.” Although the definition of the term “proprietary school” in the Texas Workforce Commission (TWC) is consistent with the statutory definition, TWC further defines “seminars and workshops” as “a course of instruction that enhances a student’s career, in addition to a program that teaches skills and fundamental knowledge required for a state occupation.” As proposed, S.B. 1205 makes it clear that a short course of instruction of 24 classroom hours or less, and for which the tuition or fee is less than \$500, is exempt from regulation under Section 132.001 of the Education Code provided that the course meets certain conditions.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 132A, Education Code, by adding Section 132.003, as follows:

Sec. 132.003. EXEMPTION: ADVANCED CAREER SKILLS OR RECREATIONAL OR AVOCATIONAL COURSES. (a) Provides that a course of instruction is exempt from this chapter and is not within the definition of “proprietary school” under certain conditions.

(b) Provides that a general refund policy that provides for a full refund of fees at any time before the date the course begins satisfies the requirements of Subsection (a)(7)(A), if the general refund policy is communicated in writing to registrants or potential registrants before that date.

(c) Provides that if within the required three-year record retention period the Texas Employment Commission (commission) requests the production of records required under Subsection (a), a failure to produce the records for the commission by the person claiming an exemption for the course creates a rebuttable presumption that the course is not exempt from this chapter.

(d) Provides that a person engaged exclusively in offering courses of instruction that are exempt under this section is exempt from this chapter and not within the definition of “proprietary school.”

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2001.