



John Rau

Bill Analysis
Legislative Service Commission

H.B. 162

125th General Assembly
(As Reported by H. Education)

Reps. Webster, Setzer, Cates, Calvert, Hughes, DeWine, Brinkman, Koziura, Hollister, Hoops, Schmidt, McGregor, Widener, Allen, Flowers, Grendell, Schneider, Widowfield, Aslanides, G. Smith, J. Stewart, Schaffer, Husted, Reinhard, Jolivette, Raga, Peterson, Niehaus, Faber, Clancy, Taylor, Reidelbach, Buehrer, Carmichael, Daniels, Gibbs, Hagan, Schlichter, Walcher, Young, Fessler, DeBose, Carano, Williams, Kearns, C. Evans

BILL SUMMARY

- Specifies the manner in which a state university that establishes a program to provide its students with a financial transaction device must operate that program.
- Requires a state university that operates a financial transaction device program for its students to offer private vendors the opportunity to participate in that program.

CONTENT AND OPERATION

The bill specifies that, if the board of trustees of a state university establishes a program to provide the university's students with the option to obtain a "financial transaction device" issued through the university, the board must allow a participating student to use that device in the manner prescribed in the bill.¹ A "financial transaction device" includes a credit card, debit card, charge

¹ *R.C. 3345.51(A). The bill also explicitly prohibits a state university from administering or sponsoring a program that does not comply with its provisions (R.C. 3345.51(C)). The 13 state universities affected by the bill are: University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University (R.C. 3345.011, not in the bill).*

card, or prepaid or stored value card.² Under the bill, the university board of trustees must permit a university-issued financial transaction device to be used to purchase merchandise or services as follows:

- (1) From the university, as determined by the university;
- (2) From any private vendor *authorized* to sell merchandise or offer services *on campus* who elects to participate in the program;
- (3) From *any* private vendor who sells merchandise or offers services *off campus* who elects to participate in the program.

Furthermore, a state university may charge a private vendor who is participating in the program a service fee not to exceed 4% of gross program card transactions at the vendor's business. However, the university must allow any private vendor who sells merchandise or offers services *off campus* to participate in the program under the same or equivalent terms applicable to a private vendor authorized to sell merchandise or offer services *on campus*.³

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-08-03	p. 331
Reported, H. Education	10-08-03	p. 1097

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² R.C. 3345.51(D). This is the same definition for "financial transaction device" as used in R.C. 113.40 (not in the bill), which authorizes the use of such a device by the state to pay state expenses.

³ R.C. 3345.51(B).