

Bill No. SB 1162

Amendment No.      Barcode 132084

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Rossin moved the following amendment:

**Senate Amendment (with title amendment)**

On page 1, line 19, through  
page 4, line 11, delete those lines

and insert:

Section 1. Subsection (10), paragraph (e) of  
subsection (11), and paragraphs (b) and (c) of subsection (13)  
of section 240.551, Florida Statutes, are amended, and  
subsection (23) is added to that section, to read:

240.551 Florida Prepaid College Program.--

(10) TRANSFER OF BENEFITS TO PRIVATE AND OUT-OF-STATE  
COLLEGES AND UNIVERSITIES AND TO AREA TECHNICAL CENTERS.--A  
qualified beneficiary may apply the benefits of an advance  
payment contract toward:

(a) Any eligible independent college or university. An  
independent college or university that is located and  
chartered in Florida, that is not for profit, that is  
accredited by the Commission on Colleges of the Southern  
Association of Colleges and Schools or the Accrediting Council

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1 ~~for Commission of the Association of~~ Independent Colleges and  
2 Schools, and that confers degrees as defined in s. 246.021, is  
3 eligible for such application. The board shall transfer, or  
4 cause to have transferred, to the eligible independent college  
5 or university designated by the qualified beneficiary an  
6 amount not to exceed the redemption value of the advance  
7 payment contract ~~at within a Florida public state~~  
8 postsecondary education institution. If the cost of  
9 registration or housing fees at the independent college or  
10 university is less than the corresponding fees at a state  
11 postsecondary institution, the amount transferred shall not  
12 exceed the actual cost of registration or housing fees. A  
13 transfer authorized under this paragraph may not exceed the  
14 number of semester credit hours or semesters of dormitory  
15 residence contracted on behalf of a qualified beneficiary.

16 (b) An eligible out-of-state college or university. An  
17 out-of-state college or university that is not for profit and  
18 is accredited by a regional accrediting association, and that  
19 confers degrees, is eligible for such application. The board  
20 shall transfer, or cause to have transferred, an amount not to  
21 exceed the redemption value of the advance payment contract at  
22 a Florida public postsecondary education institution ~~or the~~  
23 ~~original purchase price plus 5 percent compounded interest,~~  
24 ~~whichever is less, after assessment of a reasonable transfer~~  
25 ~~fee~~. If the cost of registration or housing fees charged the  
26 qualified beneficiary at the eligible out-of-state college or  
27 university is less than this calculated amount, the amount  
28 transferred shall not exceed the actual cost of registration  
29 or housing fees. Any remaining amount shall be transferred in  
30 subsequent semesters until the transfer value is depleted. A  
31 transfer authorized under this paragraph may not exceed the

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1 number of semester credit hours or semesters of dormitory  
2 residence contracted on behalf of a qualified beneficiary.  
3 (c) An applied technology diploma program or  
4 vocational certificate program conducted by a community  
5 college listed in s. 240.3031 or an area technical center  
6 operated by a district school board. The board shall transfer  
7 or cause to be transferred to the community college or area  
8 technical center designated by the qualified beneficiary an  
9 amount not to exceed the redemption value of the advance  
10 payment contract ~~at within~~ a Florida public state  
11 postsecondary education institution. If the cost of the fees  
12 charged by the college or center, as authorized in s. 239.117,  
13 is less than the corresponding fees at a state postsecondary  
14 institution, the amount transferred may not exceed the actual  
15 cost of the fees. A transfer authorized under this paragraph  
16 may not exceed the number of semester credit hours contracted  
17 on behalf of a qualified beneficiary.

18  
19 Notwithstanding any other provision in this section, an  
20 institution must be an "eligible educational institution"  
21 under s. 529 of the Internal Revenue Code to be eligible for  
22 the transfer of advance payment contract benefits.

23 (11) ADVANCE PAYMENT CONTRACTS; CONTENTS.--The board  
24 shall construct advance payment contracts for registration and  
25 may construct advance payment contracts for dormitory  
26 residence as provided in this section. Advance payment  
27 contracts constructed for the purposes of this section shall  
28 be exempt from chapter 517 and the Florida Insurance Code.  
29 Such contracts shall include, but not be limited to, the  
30 following:

31 (e) Except for an advance payment contract entered

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1 into pursuant to subsection (22) or subsection (23), the name  
2 and date of birth of the qualified beneficiary on whose behalf  
3 the contract is drawn and the terms and conditions under which  
4 another person may be substituted as the qualified  
5 beneficiary.

6 (13) REFUNDS.--

7 (b) If the beneficiary is awarded a scholarship, the  
8 terms of which cover the benefits included in the advance  
9 payment contracts, moneys paid for the purchase of the advance  
10 payment contracts shall be refunded ~~returned~~ to the purchaser  
11 in semester installments coinciding with the matriculation by  
12 the beneficiary in an amount which, in total, does not exceed  
13 the redemption value of the advance payment contract at a  
14 Florida public postsecondary education institution ~~amounts of~~  
15 ~~either the original purchase price plus 5 percent compounded~~  
16 ~~interest, or the current rates at state postsecondary~~  
17 ~~institutions, whichever is less.~~

18 (c) In the event of the death or total disability of  
19 the beneficiary, moneys paid for the purchase of advance  
20 payment contracts shall be refunded ~~returned~~ to the purchaser  
21 in an amount not to exceed the redemption value of the advance  
22 payment contract at a Florida public postsecondary education  
23 institution ~~together with 5 percent compounded interest, or~~  
24 ~~the current rates at state postsecondary institutions,~~  
25 ~~whichever is less.~~

26 (23) SCHOLARSHIPS.--A nonprofit organization described  
27 in s. 501 (c)(3) of the United States Internal Revenue Code  
28 and exempt from taxation under s. 501(a) of the United States  
29 Internal Revenue Code may purchase advance payment contracts  
30 for a scholarship program that has been approved by the board  
31 and is operated by the purchasing organization.

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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3           On page 1, line 14, after the semicolon,

4

5 insert:

6           authorizing the purchase of advance payment

7           contracts for scholarships by nonprofit

8           organizations;

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