

Bill No. SB 1162

Amendment No. Barcode 172402

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Senator Rossin moved the following substitute for amendment
 12 (022600):

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14 **Senate Amendment (with title amendment)**

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

17

18 and insert:

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

23 240.551 Florida Prepaid College Program.--

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

28 (a) Any eligible independent college or university. An
 29 independent college or university that is located and
 30 chartered in Florida, that is not for profit, that is
 31 accredited by the Commission on Colleges of the Southern

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1 Association of Colleges and Schools or the Accrediting Council
2 for ~~Commission of the Association of~~ Independent Colleges and
3 Schools, and that confers degrees as defined in s. 246.021, is
4 eligible for such application. The board shall transfer, or
5 cause to have transferred, to the eligible independent college
6 or university designated by the qualified beneficiary an
7 amount not to exceed the redemption value of the advance
8 payment contract at ~~within~~ a state postsecondary institution.
9 If the cost of registration or housing fees at the independent
10 college or university is less than the corresponding fees at a
11 state postsecondary institution, the amount transferred shall
12 not 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 state postsecondary institution ~~or the original purchase~~
23 ~~price plus 5 percent compounded interest, whichever is less,~~
24 ~~after assessment of a reasonable transfer fee.~~ If the cost of
25 registration or housing fees charged the qualified beneficiary
26 at the eligible out-of-state college or university is less
27 than this calculated amount, the amount transferred shall not
28 exceed the actual cost of registration or housing fees. Any
29 remaining amount shall be transferred in subsequent semesters
30 until the transfer value is depleted. A transfer authorized
31 under this paragraph may not exceed the number of semester

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1 credit hours or semesters of dormitory residence contracted on
2 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 state postsecondary institution.
11 If the cost of the fees charged by the college or center, as
12 authorized in s. 239.117, is less than the corresponding fees
13 at a state postsecondary institution, the amount transferred
14 may not exceed the actual cost of the fees. A transfer
15 authorized under this paragraph may not exceed the number of
16 semester credit hours contracted on behalf of a qualified
17 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 state postsecondary institution ~~amounts of either the original~~
15 ~~purchase price plus 5 percent compounded interest, or the~~
16 ~~current rates at state postsecondary institutions, whichever~~
17 ~~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 state postsecondary institution ~~together~~
23 ~~with 5 percent compounded interest, or the current rates at~~
24 ~~state postsecondary institutions, whichever is less.~~

25 (23) SCHOLARSHIPS.--A nonprofit organization described
26 in s. 501 (c)(3) of the United States Internal Revenue Code
27 and exempt from taxation under s. 501(a) of the United States
28 Internal Revenue Code may purchase advance payment contracts
29 for a scholarship program that has been approved by the board
30 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 13 and 14, delete those lines

4

5 and insert:

6 contract at a state postsecondary institution;

7 authorizing the purchase of advance payment

8 contracts for scholarships by nonprofit

9 organizations; providing an effective

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