

By Senator Sebesta

20-601-01

See HB 463

1 A bill to be entitled
2 An act relating to the Florida Prepaid College
3 Program; amending s. 240.551, F.S.; revising
4 the accreditation requirements for independent
5 college or university eligibility purposes;
6 clarifying that the amount of benefits
7 transferred to an eligible independent college
8 or university, an eligible out-of-state college
9 or university, an applied technology diploma
10 program or vocational certificate program, or
11 refunded to a purchaser shall not exceed the
12 redemption value of the advance payment
13 contract at a Florida public postsecondary
14 education institution; providing an effective
15 date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Subsection (10), and paragraphs (b) and (c)
20 of subsection (13) of section 240.551, Florida Statutes, are
21 amended to read:

22 240.551 Florida Prepaid College Program.--

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

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

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

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.

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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 (13) REFUNDS.--

24 (b) If the beneficiary is awarded a scholarship, the
25 terms of which cover the benefits included in the advance
26 payment contracts, moneys paid for the purchase of the advance
27 payment contracts shall be refunded ~~returned~~ to the purchaser
28 in semester installments coinciding with the matriculation by
29 the beneficiary in an amount which, in total, does not exceed
30 the redemption value of the advance payment contract at a
31 Florida public postsecondary education institution ~~amounts of~~

1 ~~either the original purchase price plus 5 percent compounded~~
2 ~~interest, or the current rates at state postsecondary~~
3 ~~institutions, whichever is less.~~

4 (c) In the event of the death or total disability of
5 the beneficiary, moneys paid for the purchase of advance
6 payment contracts shall be refunded ~~returned~~ to the purchaser
7 in an amount not to exceed the redemption value of the advance
8 payment contract at a Florida public postsecondary education
9 institution together with 5 percent compounded interest, or
10 ~~the current rates at state postsecondary institutions,~~
11 ~~whichever is less.~~

12 Section 2. This act shall take effect July 1, 2001.

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15 HOUSE SUMMARY

16 Revises the accreditation requirements relating to
17 independent college or university eligibility for
18 participation in the Florida Prepaid College Program.
19 Clarifies that the amount of benefits transferred to an
20 eligible independent college or university, an eligible
21 out-of-state college or university, an applied technology
22 diploma program or vocational certificate program, or
23 refunded to a purchaser shall not exceed the redemption
24 value of the advance payment contract at a Florida public
25 postsecondary education institution.
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