

By Representative Baxley

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.

16  
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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