

By the Committee on Colleges & Universities and  
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 a vocational certificate program or  
11          refunded to a purchaser shall not exceed the  
12          redemption value of the advance payment  
13          contract at a state postsecondary institution;  
14          providing an effective date.

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

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

21           240.551 Florida Prepaid College Program.--

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

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

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

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

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

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

21           (13) REFUNDS.--

22           (b) If the beneficiary is awarded a scholarship, the  
23 terms of which cover the benefits included in the advance  
24 payment contracts, moneys paid for the purchase of the advance  
25 payment contracts shall be refunded ~~returned~~ to the purchaser  
26 in semester installments coinciding with the matriculation by  
27 the beneficiary in an amount which, in total, does not exceed  
28 the redemption value of the advance payment contract at a  
29 state postsecondary institution ~~amounts of either the original~~  
30 ~~purchase price plus 5 percent compounded interest, or the~~

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1 ~~current rates at state postsecondary institutions, whichever~~  
2 ~~is less.~~

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

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

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