

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 for a rollover of benefits to a  
15          college savings program at the redemption value  
16          of the advance payment contract at a state  
17          postsecondary institution; revising provisions  
18          relating to appointment of directors of the  
19          direct-support organization; providing an  
20          effective date.

21  
22 Be It Enacted by the Legislature of the State of Florida:

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24           Section 1. Subsection (10) and paragraphs (a), (b),  
25           and (c) of subsection (13) of section 240.551, Florida  
26           Statutes, are amended, and paragraph (f) is added to  
27           subsection (13) of said section, to read:

28           Section 2. Subsection (10), paragraphs (b) and (c) of  
29           subsection (13), and paragraph (e) of subsection (22) of  
30           section 240.551, Florida Statutes, are

31           240.551 Florida Prepaid College Program.--

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

5           (a) Any eligible independent college or university. An  
6 independent college or university that is located and  
7 chartered in Florida, that is not for profit, that is  
8 accredited by the Commission on Colleges of the Southern  
9 Association of Colleges and Schools or the Accrediting Council  
10 for Commission of the Association of Independent Colleges and  
11 Schools, and that confers degrees as defined in s. 246.021, is  
12 eligible for such application. The board shall transfer, or  
13 cause to have transferred, to the eligible independent college  
14 or university designated by the qualified beneficiary an  
15 amount not to exceed the redemption value of the advance  
16 payment contract at within a state postsecondary institution.  
17 If the cost of registration or housing fees at the independent  
18 college or university is less than the corresponding fees at a  
19 state postsecondary institution, the amount transferred shall  
20 not exceed the actual cost of registration or housing fees. A  
21 transfer authorized under this paragraph may not exceed the  
22 number of semester credit hours or semesters of dormitory  
23 residence contracted on behalf of a qualified beneficiary.

24           (b) An eligible out-of-state college or university. An  
25 out-of-state college or university that is not for profit and  
26 is accredited by a regional accrediting association, and that  
27 confers degrees, is eligible for such application. The board  
28 shall transfer, or cause to have transferred, an amount not to  
29 exceed the redemption value of the advance payment contract at  
30 a state postsecondary institution ~~or the original purchase~~  
31 ~~price plus 5 percent compounded interest, whichever is less,~~

1 ~~after assessment of a reasonable transfer fee.~~ If the cost of  
2 registration or housing fees charged the qualified beneficiary  
3 at the eligible out-of-state college or university is less  
4 than this calculated amount, the amount transferred shall not  
5 exceed the actual cost of registration or housing fees. Any  
6 remaining amount shall be transferred in subsequent semesters  
7 until the transfer value is depleted. A transfer authorized  
8 under this paragraph may not exceed the number of semester  
9 credit hours or semesters of dormitory residence contracted on  
10 behalf of a qualified beneficiary.

11 (c) An applied technology diploma program or  
12 vocational certificate program conducted by a community  
13 college listed in s. 240.3031 or an area technical center  
14 operated by a district school board. The board shall transfer  
15 or cause to be transferred to the community college or area  
16 technical center designated by the qualified beneficiary an  
17 amount not to exceed the redemption value of the advance  
18 payment contract at ~~within~~ a state postsecondary institution.  
19 If the cost of the fees charged by the college or center, as  
20 authorized in s. 239.117, is less than the corresponding fees  
21 at a state postsecondary institution, the amount transferred  
22 may not exceed the actual cost of the fees. A transfer  
23 authorized under this paragraph may not exceed the number of  
24 semester credit hours contracted on behalf of a qualified  
25 beneficiary.

26  
27 Notwithstanding any other provision in this section, an  
28 institution must be an "eligible educational institution"  
29 under s. 529 of the Internal Revenue Code to be eligible for  
30 the transfer of advance payment contract benefits.

31 (13) REFUNDS.--

1 (a) Except as provided in paragraphs (b), ~~and (c), and~~  
2 (f), no refund shall exceed the amount paid into the fund by  
3 the purchaser.

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

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

22 (f) Benefits purchased under the Florida Prepaid  
23 College Program shall be permitted to roll over to a college  
24 savings program, as defined under s. 529 of the United States  
25 Internal Revenue Code, relating to qualified state tuition  
26 programs. The board shall transfer, or cause to have  
27 transferred, an amount not to exceed the redemption value of  
28 the advance payment contract at a state postsecondary  
29 institution in Florida at the time of the rollover, after  
30 assessment of a reasonable transfer fee.

31 (22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.--

1           (e) The chair and the executive director of the board  
2 shall be directors of the direct-support organization and  
3 shall jointly name, at a minimum, three other individuals to  
4 serve as directors of the organization.

5           Section 3. This act shall take effect July 1, 2001.  
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