

By Senator King

8-1312A-05

1 A bill to be entitled
2 An act relating to college savings programs;
3 amending s. 1009.972, F.S., relating to the
4 Florida Prepaid College Trust Fund; providing
5 for the transfer of funds from a terminated
6 advance payment contract to a direct-support
7 organization; providing that the direct-support
8 organization may award scholarships from the
9 funds of terminated contracts to certain
10 children whose parents were members of the
11 Armed Forces or Coast Guard of the United
12 States who died in certain combat theaters of
13 operation and who were state residents or
14 listed the state as their domicile at the time
15 of their death; amending s. 1009.98, F.S.,
16 relating to the Florida Prepaid College
17 Program, to conform; amending s. 1009.981,
18 F.S., relating to the Florida College Savings
19 Program; providing that the direct-support
20 organization may award scholarships from the
21 funds of terminated participation agreements to
22 certain children whose parents were members of
23 the Armed Forces or Coast Guard of the United
24 States who died in certain combat theaters of
25 operation and who were state residents or
26 listed the state as their domicile at the time
27 of their death; providing an effective date.

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29 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Subsection (5) of section 1009.972, Florida
2 Statutes, is amended to read:

3 1009.972 Florida Prepaid College Trust Fund.--

4 (5) Notwithstanding the provisions of chapter 717,
5 funds associated with terminated advance payment contracts
6 pursuant to s. 1009.98(4)(k) and canceled contracts for which
7 no refunds have been claimed shall be retained by the board.
8 The board shall establish procedures for notifying purchasers
9 who subsequently cancel their advance payment contracts of any
10 unclaimed refund and shall establish a time period after which
11 no refund may be claimed by a purchaser who canceled a
12 contract. The board may transfer funds retained from such
13 terminated advance payment contracts and canceled contracts to
14 the direct-support organization established under s. 1009.984
15 for the Florida Prepaid Tuition Scholarship Program to provide
16 matching funds for prepaid tuition scholarships for
17 economically disadvantaged youth who remain drug free and
18 crime free and for children of members of the Armed Forces or
19 Coast Guard of the United States who died while participating
20 in the combat theater of operations for Iraqi Freedom or
21 Enduring Freedom after June 30, 2005, and were state residents
22 at the time of their death or listed the state as their
23 domicile at the time of their death.

24 Section 2. Paragraph (k) of subsection (4) of section
25 1009.98, Florida Statutes, is amended to read:

26 1009.98 Florida Prepaid College Program.--

27 (4) ADVANCE PAYMENT CONTRACTS.--The board shall
28 develop advance payment contracts for registration and may
29 develop advance payment contracts for dormitory residence as
30 provided in this section. Advance payment contracts shall be
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1 exempt from chapter 517 and the Florida Insurance Code. Such
2 contracts shall include, but not be limited to, the following:

3 (k) The period of time after which advance payment
4 contracts that have not been terminated or the benefits used
5 shall be considered terminated. Time expended by a qualified
6 beneficiary as an active duty member of any of the armed
7 services of the United States shall be added to the period of
8 time specified by the board. No purchaser or qualified
9 beneficiary whose advance payment contract is terminated
10 pursuant to this paragraph shall be entitled to a refund.
11 Notwithstanding chapter 717, the board shall retain any moneys
12 paid by the purchaser for an advance payment contract that has
13 been terminated in accordance with this paragraph. Such moneys
14 may be transferred to the direct-support organization
15 established under s. 1009.984 for the Florida Prepaid Tuition
16 Scholarship Program to provide matching funds for prepaid
17 tuition scholarships for economically disadvantaged youths who
18 remain drug free and crime free and for children of members of
19 the Armed Forces or Coast Guard of the United States who died
20 while participating in the combat theater of operations for
21 Iraqi Freedom or Enduring Freedom after June 30, 2005, and were
22 state residents at the time of their death or listed the state
23 as their domicile at the time of their death.

24 Section 3. Paragraph (b) of subsection (2) of section
25 1009.981, Florida Statutes, is amended to read:

26 1009.981 Florida College Savings Program.--

27 (2) PARTICIPATION AGREEMENTS.--

28 (b) The board shall develop a participation agreement
29 that ~~which~~ shall be the agreement between the board and each
30 benefactor and that, ~~which~~ may include, but is not limited to:

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- 1 1. The name, date of birth, and social security number
2 of the designated beneficiary.
- 3 2. The amount of the contribution or contributions and
4 number of contributions required from a benefactor on behalf
5 of a designated beneficiary.
- 6 3. The terms and conditions under which benefactors
7 shall remit contributions, including, but not limited to, the
8 date or dates upon which each contribution is due. Deposits to
9 the savings program by benefactors may only be in cash.
10 Benefactors may contribute in a lump sum, periodically, in
11 installments, or through electronic funds transfer or employer
12 payroll deductions.
- 13 4. Provisions for late contribution charges and for
14 default.
- 15 5. Provisions for penalty fees for withdrawals from
16 the program.
- 17 6. The name of the person who may terminate
18 participation in the program. The participation agreement must
19 specify whether the account may be terminated by the
20 benefactor, the designated beneficiary, a specific designated
21 person, or any combination of these persons.
- 22 7. The terms and conditions under which an account may
23 be terminated, modified, or converted, the name of the person
24 entitled to any refund due as a result of termination of the
25 account pursuant to such terms and conditions, and the amount
26 of refund, if any, due to the person so named.
- 27 8. Penalties for distributions not used or made in
28 accordance with s. 529 of the Internal Revenue Code.
- 29 9. Any charges or fees in connection with the
30 administration of the savings fund.
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1 10. The period of time after which each participation
2 agreement shall be considered to be terminated. Time expended
3 by a designated beneficiary as an active duty member of any of
4 the armed services of the United States shall be added to the
5 period specified pursuant to this subparagraph. Should a
6 participation agreement be terminated, the balance of the
7 account, after notice to the benefactor, shall be declared
8 unclaimed and abandoned property. The board shall retain any
9 moneys paid by the benefactor for a participation agreement
10 that has been terminated in accordance with this subparagraph.
11 Such moneys may be transferred to the direct-support
12 organization established under s. 1009.984 for the Florida
13 Prepaid Tuition Scholarship Program to provide matching funds
14 for prepaid tuition scholarships for economically
15 disadvantaged youths who remain drug free and crime free and
16 for children of members of the Armed Forces or Coast Guard of
17 the United States who died while participating in the combat
18 theater of operations for Iraqi Freedom or Enduring Freedom
19 after June 30, 2005, and were state residents at the time of
20 their death or listed the state as their domicile at the time
21 of their death.

22 11. Other terms and conditions deemed by the board to
23 be necessary or proper.

24 Section 4. This act shall take effect July 1, 2005.
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SENATE SUMMARY

Amends provisions relating to the Florida Prepaid College Trust Fund to provide for the transfer of funds from a terminated advance payment contract to a direct-support organization. Authorizes the direct-support organization to award scholarships from the funds of terminated contracts to certain children whose parents were members of the Armed Forces or Coast Guard of the United States who died in certain combat theaters of operation and who were state residents or listed the state as their domicile at the time of their death. Amends provisions relating to the Florida Prepaid College Program, to conform. Amends provisions relating to the Florida College Savings Program to provide that the direct-support organization may award scholarships from the funds of terminated participation agreements to certain children whose parents were members of the Armed Forces or Coast Guard of the United States who died in certain combat theaters of operation and who were state residents or listed the state as their domicile at the time of their death.