

By Senator Bennett

21-769-05

See HB

1 A bill to be entitled

2 An act relating to educational loan marketing;

3 creating s. 1009.9997, F.S.; creating the

4 Educational Loan Marketing Corporation of

5 Florida to provide services as a secondary

6 student loan market; providing for a board of

7 directors and specifying membership; providing

8 powers and duties of the corporation;

9 authorizing the corporation to borrow through

10 public bonds and private financial sources;

11 providing exemptions from taxation, procurement

12 procedures, and administrative procedures;

13 providing an effective date.

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

16
17 Section 1. Section 1009.9997, Florida Statutes, is
18 created to read:

19 1009.9997 Educational Loan Marketing Corporation of
20 Florida.--

21 (1) There is created the Educational Loan Marketing
22 Corporation of Florida. The corporation is created pursuant to
23 chapter 617 as a not-for-profit entity separate from the state
24 to purchase, service, and otherwise provide access and service
25 as a secondary market for student loans in the state.

26 (2) The corporation shall be administered by an
27 11-member board of directors composed of five members
28 appointed by the Governor, three members appointed by the
29 President of the Senate, and three members appointed by the
30 Speaker of the House of Representatives. The members shall be
31 appointed through collaboration by the appointing authorities

1 and shall be confirmed by the Senate. The membership of the
2 board of directors shall include:

3 (a) Two members who are representatives of lending
4 institutions that originate student loans in the state and who
5 have a favorable reputation for skill, knowledge, and
6 experience in the field of higher education loan finance.

7 (b) Two members who are representatives of state
8 universities.

9 (c) Two members who are representatives of community
10 colleges.

11 (d) One member who represents technical schools that
12 are eligible to receive student loans.

13 (e) One member who represents independent colleges and
14 universities.

15 (f) Two members who are chosen from a list submitted
16 by the Chief Financial Officer.

17 (g) One lay citizen who does not derive a majority of
18 his or her income from education or an education-related
19 field.

20
21 All members of the board of directors, including the chair,
22 shall be appointed to serve 3-year terms; however, for the
23 purpose of providing staggered terms, of the initial
24 appointments, three members shall be appointed to 1-year
25 terms, three members shall be appointed to 2-year terms, and
26 five members shall be appointed to 3-year terms.

27 (3)(a) The board of directors may employ or retain
28 such persons as are necessary to perform the administrative
29 and financial transactions and responsibilities of the
30 corporation and to perform other necessary and proper
31 functions not prohibited by law.

1 (b) Members of the board of directors may be
2 reimbursed from moneys of the corporation for expenses
3 incurred as members, consistent with chapters 112 and 287, but
4 may not otherwise be compensated for their services.

5 (c) There shall be no liability on the part of, and no
6 cause of action of any nature shall arise against, agents or
7 employees of the corporation, members of the board of
8 directors of the corporation, or representatives of the state
9 for any act or omission of the board of directors in the
10 performance of their powers and duties under this section.

11 (d) Meetings of the board of directors are subject to
12 the provisions of s. 286.011.

13 (4) The board of directors shall adopt a plan of
14 operation and articles, bylaws, and operating rules.

15 (5) The corporation may:

16 (a) Sue or be sued.

17 (b) Borrow through public bonds pursuant to ss.
18 159.807 and 159.8083 and private finance sources in order to
19 meet the demands of the student loan servicing program.

20 (c) Exercise all powers granted the corporation under
21 chapter 617.

22 (6)(a) It is the intent of the Legislature that the
23 tax exemptions provided in this subsection will augment the
24 financial resources of the corporation to better enable the
25 corporation to fulfill its public purposes.

26 (b) The corporation shall not be considered a
27 political subdivision of the state, but shall be exempt from
28 the corporate income tax. The revenues of the corporation are
29 funds received for providing services as a secondary student
30 loan market as required by this section and for conducting all
31 other activities of the corporation and shall not be

1 considered taxes, fees, licenses, or charges for services
2 imposed by the Legislature on individuals, businesses, or
3 agencies outside state government. Bonds and other debt
4 obligations issued by or on behalf of the corporation are not
5 to be considered state bonds within the meaning set forth in
6 s. 215.58(8). The corporation is not subject to the
7 procurement provisions of chapter 287, and policies and
8 decisions of the corporation relating to incurring debt, loan
9 procurement, and service under corporation policies, and all
10 services relating thereto, are not subject to the provisions
11 of chapter 120. Any bonds issued by the corporation, their
12 transfer, and the income therefrom, including any profit made
13 on the sale thereof, shall at all times be free from taxation
14 of every kind by the state and any political subdivision or
15 local unit or other instrumentality thereof. However, this
16 exemption does not apply to any tax imposed by chapter 220 on
17 interest, income, or profits on debt obligations owned by
18 corporations other than the Educational Loan Marketing
19 Corporation of Florida.

20 Section 2. This act shall take effect upon becoming a
21 law.