

1                   A bill to be entitled  
2           An act relating to the Florida Prepaid College Board  
3           programs; amending s. 1009.97, F.S.; renaming the Florida  
4           Prepaid College Program; amending s. 1009.972, F.S.;  
5           authorizing funds in the Florida Prepaid Tuition  
6           Scholarship Program to be used for certain approved  
7           scholarship programs; amending s. 1009.98, F.S.; deleting  
8           a restriction on the types of postsecondary educational  
9           institutions to which a qualified beneficiary may apply  
10          his or her benefits under the Florida Prepaid College  
11          Program; requiring certain advertisements to contain a  
12          disclaimer regarding the program; conforming provisions;  
13          amending s. 1009.983, F.S.; requiring the direct-support  
14          organization of the Florida Prepaid College Board to  
15          administer the Florida Prepaid Tuitions Scholarship  
16          Program; authorizing the board to establish and administer  
17          additional scholarship programs supported from escheated  
18          funds retained by the board if the matching funds used for  
19          the scholarships are obtained from the private sector;  
20          amending s. 732.402, F.S.; conforming provisions;  
21          providing an effective date.

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

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25           Section 1. Paragraph (d) of subsection (3) of section  
26   1009.97, Florida Statutes, is amended to read:

27           1009.97 General provisions.--

28 (3) DEFINITIONS.--As used in ss. 1009.97-1009.984, the  
 29 term:

30 (d) "Prepaid program" means the Stanley G. Tate Florida  
 31 Prepaid College Program established pursuant to s. 1009.98.

32 Section 2. Subsection (5) of section 1009.972, Florida  
 33 Statutes, is amended to read:

34 1009.972 Florida Prepaid College Trust Fund.--

35 (5) Notwithstanding ~~the provisions of~~ chapter 717, funds  
 36 associated with terminated advance payment contracts pursuant to  
 37 s. 1009.98(4)(k) and canceled contracts for which no refunds  
 38 have been claimed shall be retained by the board. The board  
 39 shall establish procedures for notifying purchasers who  
 40 subsequently cancel their advance payment contracts of any  
 41 unclaimed refund and shall establish a time period after which  
 42 no refund may be claimed by a purchaser who canceled a contract.  
 43 The board may transfer funds retained from such terminated  
 44 advance payment contracts and canceled contracts to the Florida  
 45 Prepaid Tuition Scholarship Program to provide matching funds  
 46 for prepaid tuition scholarships for economically disadvantaged  
 47 youth who remain drug free and crime free. In addition, such  
 48 funds may be used for any other scholarship programs approved by  
 49 the board under s. 1009.983(8)(b) provided that any matching  
 50 funds are obtained solely from the private sector.

51 Section 3. Subsection (1), paragraph (a) of subsection  
 52 (3), and paragraph (k) of subsection (4) of section 1009.98,  
 53 Florida Statutes, are amended to read:

54 1009.98 Stanley G. Tate Florida Prepaid College Program.--

55 (1) STANLEY G. TATE FLORIDA PREPAID COLLEGE PROGRAM;  
56 CREATION.--There is created the Stanley G. Tate a Florida  
57 Prepaid College Program to provide a medium through which the  
58 cost of registration and dormitory residence may be paid in  
59 advance of enrollment in a state postsecondary institution at a  
60 rate lower than the projected corresponding cost at the time of  
61 actual enrollment. Such payments shall be combined and invested  
62 in a manner that yields, at a minimum, sufficient interest to  
63 generate the difference between the prepaid amount and the cost  
64 of registration and dormitory residence at the time of actual  
65 enrollment. Students who enroll in a state postsecondary  
66 institution pursuant to this section shall be charged no fees in  
67 excess of the terms delineated in the advance payment contract.

68 (3) TRANSFER OF BENEFITS TO PRIVATE AND OUT-OF-STATE  
69 COLLEGES AND UNIVERSITIES AND TO CAREER CENTERS.--A qualified  
70 beneficiary may apply the benefits of an advance payment  
71 contract toward:

72 (a) An independent college or university that is located  
73 and chartered in Florida, ~~that is not for profit,~~ that is  
74 accredited by the Commission on Colleges of the Southern  
75 Association of Colleges and Schools or the Accrediting Council  
76 for Independent Colleges and Schools, and that confers degrees  
77 as defined in s. 1005.02. Any advertisement disseminated by an  
78 eligible for-profit independent college or university that  
79 references the Stanley G. Tate Florida Prepaid College Program  
80 shall clearly state the following: "While the benefits of a  
81 Florida Prepaid College contract may be utilized at this

82 institution, the Florida Prepaid College Board does not endorse  
83 any particular college or university."

84

85 The board shall transfer or cause to be transferred to the  
86 institution designated by the qualified beneficiary an amount  
87 not to exceed the redemption value of the advance payment  
88 contract at a state postsecondary institution. If the cost of  
89 registration or housing fees at such institution is less than  
90 the corresponding fees at a state postsecondary institution, the  
91 amount transferred may not exceed the actual cost of  
92 registration and housing fees. A transfer authorized under this  
93 subsection may not exceed the number of semester credit hours or  
94 semesters of dormitory residence contracted on behalf of a  
95 qualified beneficiary. Notwithstanding any other provision in  
96 this section, an institution must be an "eligible educational  
97 institution" under s. 529 of the Internal Revenue Code to be  
98 eligible for the transfer of advance payment contract benefits.

99 (4) ADVANCE PAYMENT CONTRACTS.--The board shall develop  
100 advance payment contracts for registration and may develop  
101 advance payment contracts for dormitory residence as provided in  
102 this section. Advance payment contracts shall be exempt from  
103 chapter 517 and the Florida Insurance Code. Such contracts shall  
104 include, but not be limited to, the following:

105 (k) The period of time after which advance payment  
106 contracts that have not been terminated or the benefits used  
107 shall be considered terminated. Time expended by a qualified  
108 beneficiary as an active duty member of any of the armed

109 services of the United States shall be added to the period of  
110 time specified by the board. ~~A~~ ~~Ne~~ purchaser or qualified  
111 beneficiary whose advance payment contract is terminated  
112 pursuant to this paragraph is not ~~shall be~~ entitled to a refund.  
113 Notwithstanding chapter 717, the board shall retain any moneys  
114 paid by the purchaser for an advance payment contract that has  
115 been terminated in accordance with this paragraph. Such moneys  
116 may be transferred to the Florida Prepaid Tuition Scholarship  
117 Program to provide matching funds for prepaid tuition  
118 scholarships for economically disadvantaged youths who remain  
119 drug free and crime free. In addition, such funds may be used  
120 for any other scholarship programs approved by the board under  
121 s. 1009.983(8)(b) provided that any matching funds are obtained  
122 solely from the private sector.

123 Section 4. Subsection (8) is added to section 1009.983,  
124 Florida Statutes, to read:

125 1009.983 Direct-support organization; authority.--

126 (8)(a) The direct-support organization shall administer  
127 the Florida Prepaid Tuition Scholarship Program pursuant to the  
128 provisions of s. 1009.984.

129 (b) The board may establish and administer additional  
130 scholarship programs supported from escheated funds retained by  
131 the board pursuant to s. 1009.972(5) provided that any matching  
132 funds for such scholarships are obtained solely from the private  
133 sector. The board shall develop criteria for approval of  
134 additional scholarship programs supported from escheated funds.  
135 The direct-support organization's annual report shall include a

136 | list of any additional scholarship programs approved by the  
137 | board pursuant to this subsection, including a description of  
138 | the programs and the amount of escheated funds utilized to fund  
139 | the programs.

140 |       Section 5. Paragraph (c) of subsection (2) of section  
141 | 732.402, Florida Statutes, is amended to read:

142 |       732.402 Exempt property.--

143 |       (2) Exempt property shall consist of:

144 |       (c) Stanley G. Tate Florida Prepaid College Program  
145 | contracts purchased and Florida College Savings agreements  
146 | established under part IV of chapter 1009.

147 |       Section 6. This act shall take effect July 1, 2006.