

ENROLLED
HB 263, Engrossed 1

2006 Legislature

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.

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

24
25 Section 1. Paragraph (d) of subsection (3) of section
26 1009.97, Florida Statutes, is amended to read:

27 1009.97 General provisions.--

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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.--

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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

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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

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109 services of the United States shall be added to the period of
 110 time specified by the board. ~~A No~~ 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

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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.