

1 A bill to be entitled

2 An act relating to tax credit scholarship programs;
3 amending s. 212.1831, F.S.; providing a credit against
4 the sales and use tax for contributions to nonprofit
5 scholarship-funding organizations; providing
6 requirements and procedure for claiming credits;
7 amending s. 213.053, F.S.; authorizing the Department
8 of Revenue to provide a copy of a letter approving a
9 taxpayer or dealer for a specified tax credit;
10 amending s. 1002.395, F.S.; revising definitions;
11 revising eligibility requirements for the Florida Tax
12 Credit Scholarship Program; revising the tax credit
13 cap amount applicable to the program; requiring the
14 department to provide a copy of a letter approving a
15 taxpayer for a specified tax credit to the eligible
16 nonprofit scholarship-funding organization;
17 authorizing certain entities to convey, transfer, or
18 assign certain tax credits; revising the disqualifying
19 offenses for nonprofit scholarship-funding
20 organization owners and operators; revising priority
21 for new applicants; authorizing the use of certain
22 contributions by nonprofit scholarship-funding
23 organizations for professional development; requiring
24 nonprofit scholarship-funding organizations to
25 maintain a surety bond or letter of credit and to
26 adjust the bond or letter of credit quarterly based

27 upon a statement from a certified public accountant;
28 providing an exception; requiring parental
29 authorization for access to income eligibility
30 information; revising limitations on annual
31 scholarship amounts; providing for reductions in
32 scholarship amounts based on household income;
33 providing initial and renewal application requirements
34 and an approval process for nonprofit scholarship-
35 funding organizations; requiring the State Board of
36 Education to adopt rules; creating s. 1002.396, F.S.;
37 providing legislative findings; providing definitions;
38 establishing the Florida Sales Tax Credit Scholarship
39 Program; providing eligibility requirements for a tax
40 credit scholarship; providing application requirements
41 and procedures for tax credits; providing for
42 carryforward; authorizing certain entities to convey,
43 transfer, or assign tax credits upon providing
44 notification to and receiving approval from the
45 Department of Revenue; providing obligations of
46 eligible nonprofit scholarship-funding organizations;
47 providing responsibilities for parents and students
48 participating in the program; providing requirements
49 for eligible private schools; providing obligations of
50 the Department of Education, school districts, and the
51 Commissioner of Education; providing for the amount
52 and payment of scholarships; providing for the

53 administration of the program; requiring the
54 Department of Revenue and the State Board of Education
55 to adopt rules; providing requirements for the deposit
56 of eligible contributions; providing for the
57 disposition of credits if one or more relevant
58 provisions are determined to be unconstitutional;
59 providing requirements for nonprofit scholarship-
60 funding organizations; creating s. 1002.397, F.S.;
61 providing a cap on the amount of tax credits that may
62 be approved annually under the Florida Tax Credit
63 Scholarship Program and the Florida Sales Tax Credit
64 Scholarship Program; requiring the Department of
65 Revenue to publish the cap on its website; amending s.
66 1002.421, F.S.; requiring private schools
67 participating in the Florida Sales Tax Credit
68 Scholarship Program to comply with specified
69 requirements; requiring certain scholarship-funding
70 organizations to provide a copy of a surety bond or
71 letter of credit; authorizing the Department of
72 Revenue and the Department of Education to adopt
73 emergency rules; providing an effective date.

74

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

76

77 Section 1. Section 212.1831, Florida Statutes, is amended
78 to read:

79 212.1831 Credit for contributions to eligible nonprofit
80 scholarship-funding organizations.—

81 (1) There is allowed a credit of 100 percent of an
82 eligible contribution made to an eligible nonprofit scholarship-
83 funding organization under s. 1002.395 against any tax imposed
84 by the state and due under this chapter from a direct pay permit
85 holder as a result of the direct pay permit held pursuant to s.
86 212.183. For purposes of the distributions of tax revenue under
87 s. 212.20, the department shall disregard any tax credits
88 allowed under this subsection ~~section~~ to ensure that any
89 reduction in tax revenue received that is attributable to the
90 tax credits results only in a reduction in distributions to the
91 General Revenue Fund. The provisions of ss. ~~s.~~ 1002.395 and
92 1002.397 apply to the credit authorized by this subsection
93 ~~section~~.

94 (2) There is allowed a credit of 100 percent of an
95 eligible contribution made to an eligible nonprofit scholarship-
96 funding organization under s. 1002.396 against any tax imposed
97 by the state and due under this chapter, except the surcharge
98 imposed by s. 212.0606. For purposes of the distributions of tax
99 revenue under s. 212.20, the department shall disregard any tax
100 credits allowed under this subsection to ensure that any
101 reduction in tax revenue received that is attributable to the
102 tax credits results only in a reduction in distributions to the
103 General Revenue Fund. The credits against the state sales tax
104 authorized under s. 1002.396 shall be deducted from sales and

105 use tax remitted by the dealer to the department by electronic
106 funds transfer and may only be deducted on a sales and use tax
107 return initiated through electronic data interchange. The dealer
108 shall separately state the credit on the electronic return. The
109 net amount of tax due and payable must be remitted by electronic
110 funds transfer. A dealer may only obtain a credit under this
111 subsection using the method described in this subsection. A
112 dealer is not authorized to obtain a credit by applying for a
113 refund. Sections 1002.396 and 1002.397 apply to credits granted
114 under this subsection.

115 Section 2. Paragraph (cc) is added to subsection (8) of
116 section 213.053, Florida Statutes, to read:

117 213.053 Confidentiality and information sharing.—

118 (8) Notwithstanding any other provision of this section,
119 the department may provide:

120 (cc) For purposes of notification that a tax credit has
121 been reserved, a copy of a letter of approval issued by the
122 department to a taxpayer or dealer for an allocation of a tax
123 credit to an eligible nonprofit scholarship-funding organization
124 selected by the taxpayer or dealer in an application for a tax
125 credit authorized under s. 1002.395 or s. 1002.396.

126
127 Disclosure of information under this subsection shall be
128 pursuant to a written agreement between the executive director
129 and the agency. Such agencies, governmental or nongovernmental,
130 shall be bound by the same requirements of confidentiality as

131 the Department of Revenue. Breach of confidentiality is a
 132 misdemeanor of the first degree, punishable as provided by s.
 133 775.082 or s. 775.083.

134 Section 3. Paragraph (f) of subsection (2), paragraph (b)
 135 of subsection (3), paragraph (b) of subsection (4), paragraphs
 136 (a), (b), (c), and (d) of subsection (5), subsection (6),
 137 paragraph (e) of subsection (8), paragraphs (d) and (o) of
 138 subsection (9), and paragraph (a) of subsection (12) of section
 139 1002.395, Florida Statutes, are amended, paragraphs (h) through
 140 (j) of subsection (2) are redesignated as paragraphs (i) through
 141 (k), respectively, and a new paragraph (h) is added to that
 142 subsection, paragraph (g) is added to subsection (7), and
 143 subsection (16) is added to that section, to read:

144 1002.395 Florida Tax Credit Scholarship Program.—

145 (2) DEFINITIONS.—As used in this section, the term:

146 (f) "Eligible nonprofit scholarship-funding organization"
 147 means a charitable organization that:

148 1. Is exempt from federal income tax pursuant to s.
 149 501(c)(3) of the Internal Revenue Code;

150 2. Is a Florida entity formed under chapter 607, chapter
 151 608, or chapter 617 and whose principal office is located in the
 152 state; and

153 3. Complies with subsections ~~the provisions of subsection~~
 154 (6) and (16).

155 (h) "Household income" has the same meaning as the term
 156 "income" is defined in the Income Eligibility Guidelines for

157 free and reduced price meals under the National School Lunch
 158 Program in 7 C.F.R. part 210 as published in the Federal
 159 Register by the United States Department of Agriculture.

160 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—

161 (b) Contingent upon available funds, a student is eligible
 162 for a Florida tax credit scholarship under this section if the
 163 student meets one or more of the following criteria:

164 1. For the 2014-2015 and 2015-2016 school years, the
 165 student qualifies for free or reduced-price school lunches under
 166 the National School Lunch Act or is on the direct certification
 167 list ~~and:~~

168 ~~a. Was counted as a full-time equivalent student during~~
 169 ~~the previous state fiscal year for purposes of state per-student~~
 170 ~~funding;~~

171 ~~b. Received a scholarship from an eligible nonprofit~~
 172 ~~scholarship-funding organization or from the State of Florida~~
 173 ~~during the previous school year; or~~

174 ~~e. Is eligible to enter kindergarten through fifth grade.~~

175 2. The student is currently placed, or during the previous
 176 state fiscal year was placed, in foster care or in out-of-home
 177 care as defined in s. 39.01. A student who initially receives a
 178 scholarship based on eligibility under this subparagraph remains
 179 eligible until the student graduates from high school or turns
 180 21 years of age, whichever occurs first, regardless of the
 181 student's household income level.

182 3. For the 2014-2015 and 2015-2016 school years, the

183 student continues in the scholarship program as long as the
184 student's household income level does not exceed 230 percent of
185 the federal poverty level. A sibling of a student who is
186 continuing in the scholarship program under this subparagraph is
187 eligible for a scholarship as long as the student resides in the
188 same household as the sibling.

189 4. For the 2016-2017 school year and thereafter, the
190 student is on the direct certification list or the student's
191 household income level does not exceed 185 percent of the
192 federal poverty level.

193 5. For the 2016-2017 school year and thereafter, the
194 student's household income level is greater than 185 percent of
195 the federal poverty level, but does not exceed 260 percent of
196 the federal poverty level, and the student:

197 a. Spent the previous school year in attendance at a
198 public school in the state and was enrolled and reported by the
199 school district for funding during October and February for
200 purposes of the Florida Education Finance Program surveys;

201 b. Is eligible to enter kindergarten or first grade; or

202 c. Received a scholarship from an eligible nonprofit
203 scholarship-funding organization or the state during the
204 previous school year ~~The student, who is a first-time tax credit~~
205 ~~scholarship recipient, is a sibling of a student who is~~
206 ~~continuing in the scholarship program and who resides in the~~
207 ~~same household as the student if the sibling meets one or more~~
208 ~~of the criteria specified in subparagraphs 1. and 2. and as long~~

209 ~~as the student's and sibling's household income level does not~~
 210 ~~exceed 230 percent of the federal poverty level.~~

211 (4) SCHOLARSHIP PROHIBITIONS.—A student is not eligible
 212 for a scholarship while he or she is:

213 (b) Receiving a scholarship from another eligible
 214 nonprofit scholarship-funding organization under this section or
 215 s. 1002.396;

216 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

217 (a)~~1.~~ The tax credit cap amount is provided in s. 1002.397
 218 ~~\$229 million in the 2012-2013 state fiscal year.~~

219 ~~2. In the 2013-2014 state fiscal year and each state~~
 220 ~~fiscal year thereafter, the tax credit cap amount is the tax~~
 221 ~~credit cap amount in the prior state fiscal year. However, in~~
 222 ~~any state fiscal year when the annual tax credit amount for the~~
 223 ~~prior state fiscal year is equal to or greater than 90 percent~~
 224 ~~of the tax credit cap amount applicable to that state fiscal~~
 225 ~~year, the tax credit cap amount shall increase by 25 percent.~~
 226 ~~The department shall publish on its website information~~
 227 ~~identifying the tax credit cap amount when it is increased~~
 228 ~~pursuant to this subparagraph.~~

229 (b) A taxpayer may submit an application to the department
 230 for a tax credit or credits under one or more of s. 211.0251, s.
 231 212.1831(1) ~~212.1831~~, s. 220.1875, s. 561.1211, or s. 624.51055.

232 1. The taxpayer shall specify in the application each tax
 233 for which the taxpayer requests a credit and the applicable
 234 taxable year for a credit under s. 220.1875 or s. 624.51055 or

235 the applicable state fiscal year for a credit under s. 211.0251,
236 s. 212.1831(1) ~~212.1831~~, or s. 561.1211. The department shall
237 approve tax credits on a first-come, first-served basis and must
238 obtain the division's approval before ~~prior to~~ approving a tax
239 credit under s. 561.1211.

240 2. Within 10 days after approving an application, the
241 department shall provide a copy of its approval letter to the
242 eligible nonprofit scholarship-funding organization specified by
243 the taxpayer in the application.

244 (c) If a tax credit approved under paragraph (b) is not
245 fully used within the specified state fiscal year for credits
246 under s. 211.0251, s. 212.1831(1) ~~212.1831~~, or s. 561.1211 or
247 against taxes due for the specified taxable year for credits
248 under s. 220.1875 or s. 624.51055 because of insufficient tax
249 liability on the part of the taxpayer, the unused amount may be
250 carried forward for a period not to exceed 5 years. However, any
251 taxpayer that seeks to carry forward an unused amount of tax
252 credit must submit an application to the department for approval
253 of the carryforward tax credit in the year that the taxpayer
254 intends to use the carryforward. The department must obtain the
255 division's approval prior to approving the carryforward of a tax
256 credit under s. 561.1211.

257 (d) A taxpayer may not convey, assign, or transfer an
258 approved tax credit or a carryforward tax credit to another
259 entity unless all of the assets of the taxpayer are conveyed,
260 assigned, or transferred in the same transaction. However, a tax

261 credit under s. 211.0251, s. 212.1831(1), s. 220.1875, s.
 262 561.1211, or s. 624.51055 may be conveyed, transferred, or
 263 assigned between members of an affiliated group of corporations
 264 if the type of tax credit under s. 211.0251, s. 212.1831(1), s.
 265 220.1875, s. 561.1121, or s. 624.51055 remains the same. A
 266 taxpayer must notify the department of the intent to convey,
 267 transfer, or assign a tax credit to another member within an
 268 affiliated group of corporations. The amount conveyed,
 269 transferred, or assigned is available to another member of the
 270 affiliated group of corporations upon approval by the
 271 department. The department must obtain the division's approval
 272 before approving a conveyance, transfer, or assignment of a tax
 273 credit under s. 561.1211.

274 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
 275 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
 276 organization:

277 (a) Must comply with the antidiscrimination provisions of
 278 42 U.S.C. s. 2000d.

279 (b) Must comply with the following background check
 280 requirements:

281 1. All owners and operators as defined in subparagraph
 282 (2) (i) 1. ~~(2) (h) 1.~~ are, before ~~upon~~ employment or engagement to
 283 provide services, subject to level 2 background screening as
 284 provided under chapter 435. The fingerprints for the background
 285 screening must be electronically submitted to the Department of
 286 Law Enforcement and can be taken by an authorized law

287 enforcement agency or by an employee of the eligible nonprofit
288 scholarship-funding organization or a private company who is
289 trained to take fingerprints. However, the complete set of
290 fingerprints of an owner or operator may not be taken by the
291 owner or operator. The results of the state and national
292 criminal history check shall be provided to the Department of
293 Education for screening under chapter 435. The cost of the
294 background screening may be borne by the eligible nonprofit
295 scholarship-funding organization or the owner or operator.

296 2. Every 5 years following employment or engagement to
297 provide services or association with an eligible nonprofit
298 scholarship-funding organization, each owner or operator must
299 meet level 2 screening standards as described in s. 435.04, at
300 which time the nonprofit scholarship-funding organization shall
301 request the Department of Law Enforcement to forward the
302 fingerprints to the Federal Bureau of Investigation for level 2
303 screening. If the fingerprints of an owner or operator are not
304 retained by the Department of Law Enforcement under subparagraph
305 3., the owner or operator must electronically file a complete
306 set of fingerprints with the Department of Law Enforcement. Upon
307 submission of fingerprints for this purpose, the eligible
308 nonprofit scholarship-funding organization shall request that
309 the Department of Law Enforcement forward the fingerprints to
310 the Federal Bureau of Investigation for level 2 screening, and
311 the fingerprints shall be retained by the Department of Law
312 Enforcement under subparagraph 3.

313 3. ~~All~~ Fingerprints submitted to the Department of Law
314 Enforcement as required by this paragraph must be retained by
315 the Department of Law Enforcement in a manner approved by rule
316 and entered in the statewide automated biometric identification
317 system authorized by s. 943.05(2)(b). The fingerprints must
318 thereafter be available for all purposes and uses authorized for
319 arrest fingerprints entered in the statewide automated biometric
320 identification system pursuant to s. 943.051.

321 4. The Department of Law Enforcement shall search all
322 arrest fingerprints received under s. 943.051 against the
323 fingerprints retained in the statewide automated biometric
324 identification system under subparagraph 3. Any arrest record
325 that is identified with an owner's or operator's fingerprints
326 must be reported to the Department of Education. The Department
327 of Education shall participate in this search process by paying
328 an annual fee to the Department of Law Enforcement and by
329 informing the Department of Law Enforcement of any change in the
330 employment, engagement, or association status of the owners or
331 operators whose fingerprints are retained under subparagraph 3.
332 The Department of Law Enforcement shall adopt a rule setting the
333 amount of the annual fee to be imposed upon the Department of
334 Education for performing these services and establishing the
335 procedures for the retention of owner and operator fingerprints
336 and the dissemination of search results. The fee may be borne by
337 the owner or operator of the nonprofit scholarship-funding
338 organization.

339 5. A nonprofit scholarship-funding organization whose
 340 owner or operator fails the level 2 background screening is not
 341 ~~shall not be~~ eligible to provide scholarships under this
 342 section.

343 6. A nonprofit scholarship-funding organization whose
 344 owner or operator in the last 7 years has filed for personal
 345 bankruptcy or corporate bankruptcy in a corporation of which he
 346 or she owned more than 20 percent shall not be eligible to
 347 provide scholarships under this section.

348 7. In addition to the offenses listed in s. 435.04, a
 349 person required to undergo background screening pursuant to this
 350 part or authorizing statutes must not have an arrest awaiting
 351 final disposition for, must not have been found guilty of, or
 352 entered a plea of nolo contendere to, regardless of
 353 adjudication, and must not have been adjudicated delinquent, and
 354 the record must not have been sealed or expunged for, any of the
 355 following offenses or any similar offense of another
 356 jurisdiction:

- 357 a. Any authorizing statutes, if the offense was a felony.
- 358 b. This chapter, if the offense was a felony.
- 359 c. Section 409.920, relating to Medicaid provider fraud.
- 360 d. Section 409.9201, relating to Medicaid fraud.
- 361 e. Section 741.28, relating to domestic violence.
- 362 f. Section 817.034, relating to fraudulent acts through
 363 mail, wire, radio, electromagnetic, photoelectronic, or
 364 photooptical systems.

365 g. Section 817.234, relating to false and fraudulent
 366 insurance claims.

367 h. Section 817.505, relating to patient brokering.

368 i. Section 817.568, relating to criminal use of personal
 369 identification information.

370 j. Section 817.60, relating to obtaining a credit card
 371 through fraudulent means.

372 k. Section 817.61, relating to fraudulent use of credit
 373 cards, if the offense was a felony.

374 l. Section 831.01, relating to forgery.

375 m. Section 831.02, relating to uttering forged
 376 instruments.

377 n. Section 831.07, relating to forging bank bills, checks,
 378 drafts, or promissory notes.

379 o. Section 831.09, relating to uttering forged bank bills,
 380 checks, drafts, or promissory notes.

381 p. Section 831.30, relating to fraud in obtaining
 382 medicinal drugs.

383 q. Section 831.31, relating to the sale, manufacture,
 384 delivery, or possession with the intent to sell, manufacture, or
 385 deliver any counterfeit controlled substance, if the offense was
 386 a felony.

387 (c) Must not have an owner or operator who owns or
 388 operates an eligible private school that is participating in the
 389 scholarship program or the scholarship program established in s.
 390 1002.396.

391 (d) Must provide scholarships, from eligible
 392 contributions, to eligible students for the cost of:
 393 1. Tuition and fees for an eligible private school; or
 394 2. Transportation to a Florida public school that is
 395 located outside the district in which the student resides or to
 396 a lab school as defined in s. 1002.32.

397 (e) Must give first priority to eligible students who
 398 received a scholarship from an eligible nonprofit scholarship-
 399 funding organization or from the State of Florida during the
 400 previous school year. Beginning in the 2016-2017 school year, an
 401 eligible nonprofit scholarship-funding organization shall give
 402 priority to new applicants whose household income levels do not
 403 exceed 185 percent of the federal poverty level or who are in
 404 foster care or out-of-home care.

405 (f) Must provide a scholarship to an eligible student on a
 406 first-come, first-served basis unless the student qualifies for
 407 priority pursuant to paragraph (e).

408 (g) May not restrict or reserve scholarships for use at a
 409 particular private school or provide scholarships to a child of
 410 an owner or operator.

411 (h) Must allow a student in foster care or out-of-home
 412 care to apply for a scholarship at any time.

413 (i) ~~(h)~~ Must allow an eligible student to attend any
 414 eligible private school and must allow a parent to transfer a
 415 scholarship during a school year to any other eligible private
 416 school of the parent's choice.

417 (j)~~(i)~~1. May use up to 3 percent of eligible contributions
418 received during the state fiscal year in which such
419 contributions are collected for administrative expenses if the
420 organization has operated under this section or s. 1002.396 for
421 at least 3 state fiscal years and did not have any negative
422 financial findings in its most recent audit under paragraph (m)
423 ~~(l)~~. Such administrative expenses must be reasonable and
424 necessary for the organization's management and distribution of
425 eligible contributions under this section. Administrative
426 expenses may also include professional development to support
427 participating schools. Up to ~~No more than~~ one-third of the funds
428 authorized for administrative expenses under this subparagraph
429 may be used for expenses related to the recruitment of
430 contributions from taxpayers.

431 2. Must expend for annual or partial-year scholarships an
432 amount equal to or greater than 75 percent of the net eligible
433 contributions remaining after administrative expenses during the
434 state fiscal year in which such contributions are collected. No
435 more than 25 percent of such net eligible contributions may be
436 carried forward to the following state fiscal year. Any amounts
437 carried forward shall be expended for annual or partial-year
438 scholarships in the following state fiscal year. Net eligible
439 contributions remaining on June 30 of each year that are in
440 excess of the 25 percent that may be carried forward shall be
441 returned to the State Treasury for deposit in the General
442 Revenue Fund.

443 3. Must, before granting a scholarship for an academic
444 year, document each scholarship student's eligibility for that
445 academic year. A scholarship-funding organization may not grant
446 multiyear scholarships in one approval process.

447 (k)~~(j)~~ Must maintain separate accounts for scholarship
448 funds and operating funds.

449 (l)~~(k)~~ With the prior approval of the Department of
450 Education, may transfer funds to another eligible nonprofit
451 scholarship-funding organization if additional funds are
452 required to meet scholarship demand at the receiving nonprofit
453 scholarship-funding organization. A transfer is ~~shall be~~ limited
454 to the greater of \$500,000 or 20 percent of the total
455 contributions received by the nonprofit scholarship-funding
456 organization making the transfer. All transferred funds must be
457 deposited by the receiving nonprofit scholarship-funding
458 organization into its scholarship accounts. All transferred
459 amounts received by any nonprofit scholarship-funding
460 organization must be separately disclosed in the annual
461 financial and compliance audit required in this section.

462 (m)~~(l)~~ Must provide to the Auditor General and the
463 Department of Education an annual financial and compliance audit
464 of its accounts and records conducted by an independent
465 certified public accountant and in accordance with rules adopted
466 by the Auditor General. The audit must be conducted in
467 compliance with generally accepted auditing standards and must
468 include a report on financial statements presented in accordance

469 with generally accepted accounting principles set forth by the
470 American Institute of Certified Public Accountants for not-for-
471 profit organizations and a determination of compliance with the
472 statutory eligibility and expenditure requirements set forth in
473 this section. Audits must be provided to the Auditor General and
474 the Department of Education within 180 days after completion of
475 the eligible nonprofit scholarship-funding organization's fiscal
476 year.

477 (n)~~(m)~~ Must prepare and submit quarterly reports to the
478 Department of Education pursuant to paragraph (9) (m). In
479 addition, an eligible nonprofit scholarship-funding organization
480 must submit in a timely manner any information requested by the
481 Department of Education relating to the scholarship program.

482 (o)~~(n)~~1.a. Must participate in the joint development of
483 agreed-upon procedures to be performed by an independent
484 certified public accountant as required under paragraph (8) (e)
485 if the scholarship-funding organization provided more than
486 \$250,000 in scholarship funds to an eligible private school
487 under this section during the 2009-2010 state fiscal year. The
488 agreed-upon procedures must uniformly apply to all private
489 schools and must determine, at a minimum, whether the private
490 school has been verified as eligible by the Department of
491 Education under paragraph (9) (c); has an adequate accounting
492 system, system of financial controls, and process for deposit
493 and classification of scholarship funds; and has properly
494 expended scholarship funds for education-related expenses.

495 During the development of the procedures, the participating
496 scholarship-funding organizations shall specify guidelines
497 governing the materiality of exceptions that may be found during
498 the accountant's performance of the procedures. The procedures
499 and guidelines shall be provided to private schools and the
500 Commissioner of Education by March 15, 2011.

501 b. Must participate in a joint review of the agreed-upon
502 procedures and guidelines developed under sub-subparagraph a.,
503 by February 2013 and biennially thereafter, if the scholarship-
504 funding organization provided more than \$250,000 in scholarship
505 funds to an eligible private school under this section during
506 the state fiscal year preceding the biennial review. If the
507 procedures and guidelines are revised, the revisions must be
508 provided to private schools and the Commissioner of Education by
509 March 15, 2013, and biennially thereafter.

510 c. Must monitor the compliance of a private school with
511 paragraph (8)(e) if the scholarship-funding organization
512 provided the majority of the scholarship funding to the school.
513 For each private school subject to paragraph (8)(e), the
514 appropriate scholarship-funding organization shall notify the
515 Commissioner of Education by October 30, 2011, and annually
516 thereafter of:

517 (I) A private school's failure to submit a report required
518 under paragraph (8)(e); or

519 (II) Any material exceptions set forth in the report
520 required under paragraph (8)(e).

521 2. Must seek input from the accrediting associations that
522 are members of the Florida Association of Academic Nonpublic
523 Schools when jointly developing the agreed-upon procedures and
524 guidelines under sub-subparagraph 1.a. and conducting a review
525 of those procedures and guidelines under sub-subparagraph 1.b.

526 (p) Must maintain the surety bond or letter of credit
527 required by subsection (16). The amount of the surety bond or
528 letter of credit may be adjusted quarterly to equal the actual
529 amount of undisbursed funds based upon submission by the
530 organization of a statement from a certified public accountant
531 verifying the amount of undisbursed funds. The requirements of
532 this paragraph are waived if the cost of acquiring a surety bond
533 or letter of credit exceeds the average 10-year cost of
534 acquiring a surety bond or letter of credit by 200 percent.

535
536 ~~Any and all~~ Information and documentation provided to the
537 Department of Education and the Auditor General relating to the
538 identity of a taxpayer that provides an eligible contribution
539 under this section shall remain confidential at all times in
540 accordance with s. 213.053.

541 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
542 PARTICIPATION.—

543 (g) The parent must authorize the scholarship-funding
544 organization to access information needed for income eligibility
545 determination and verification held by other state or federal
546 agencies, including the Department of Revenue, the Department of

547 Children and Families, the Department of Education, the
 548 Department of Economic Opportunity, and the Agency for Health
 549 Care Administration.

550 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An
 551 eligible private school may be sectarian or nonsectarian and
 552 must:

553 (e) Annually contract with an independent certified public
 554 accountant to perform the agreed-upon procedures developed under
 555 paragraph (6) (o) ~~(6) (n)~~ and produce a report of the results if
 556 the private school receives more than \$250,000 in funds from
 557 scholarships awarded under this section in the 2010-2011 state
 558 fiscal year or a state fiscal year thereafter. A private school
 559 subject to this paragraph must submit the report by September
 560 15, 2011, and annually thereafter to the scholarship-funding
 561 organization that awarded the majority of the school's
 562 scholarship funds. The agreed-upon procedures must be conducted
 563 in accordance with attestation standards established by the
 564 American Institute of Certified Public Accountants.

565
 566 The inability of a private school to meet the requirements of
 567 this subsection shall constitute a basis for the ineligibility
 568 of the private school to participate in the scholarship program
 569 as determined by the Department of Education.

570 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
 571 Education shall:

572 (d) Annually verify the eligibility of expenditures as

573 provided in paragraph (6) (d) using the audit required by
574 paragraph (6) (m) ~~(6) (1)~~.

575 (o) Provide a process to match the direct certification
576 list with the scholarship application data submitted by any
577 nonprofit scholarship-funding organization eligible to receive
578 the 3-percent administrative allowance under paragraph (6) (j)
579 ~~(6) (i)~~.

580 (12) SCHOLARSHIP AMOUNT AND PAYMENT.—

581 (a) ~~1~~. Except as provided in subparagraph 2., the amount of
582 a scholarship provided to any student for any single school year
583 by an eligible nonprofit scholarship-funding organization from
584 eligible contributions shall be for total costs authorized under
585 paragraph (6) (d), not to exceed annual limits, which shall be
586 determined as follows:

587 1.a. For a scholarship awarded to a student enrolled in an
588 eligible private school:

589 ~~(I) For the 2009-2010 state fiscal year, the limit shall~~
590 ~~be \$3,950.~~

591 ~~(II) For the 2010-2011 state fiscal year, the limit shall~~
592 ~~be 60 percent of the unweighted FTE funding amount for that~~
593 ~~year.~~

594 ~~(III) For the 2011-2012 state fiscal year and thereafter,~~
595 the limit shall be determined by multiplying the unweighted FTE
596 funding amount in that state fiscal year by the percentage used
597 to determine the limit in the prior state fiscal year. However,
598 in each state fiscal year that the tax credit cap amount

599 increases pursuant to s. 1002.397 ~~subparagraph (5)(a)2.~~, the
600 prior year percentage shall be increased by 4 percentage points
601 and the increased percentage shall be used to determine the
602 limit for that state fiscal year. If the percentage so
603 calculated reaches 84 ~~80~~ percent in a state fiscal year, no
604 further increase in the percentage is allowed and the limit
605 shall be 84 ~~80~~ percent of the unweighted FTE funding amount for
606 that state fiscal year and thereafter.

607 b. For a scholarship awarded to a student enrolled in a
608 Florida public school that is located outside the district in
609 which the student resides or in a lab school as defined in s.
610 1002.32, the limit shall be \$500.

611 2. For the 2014-2015 and 2015-2016 state fiscal years, the
612 annual limit for a scholarship under sub-subparagraph 1.a. shall
613 be reduced by:

614 a. Twenty-five percent if the student's household income
615 level is equal to or greater than 200 percent, but less than 215
616 percent, of the federal poverty level.

617 b. Fifty percent if the student's household income level
618 is equal to or greater than 215 percent, but equal to or less
619 than 230 percent, of the federal poverty level.

620 3. For the 2016-2017 state fiscal year and thereafter, the
621 annual limit for a scholarship under sub-subparagraph 1.a. shall
622 be reduced by:

623 a. Twelve percent if the student's household income level
624 is greater than or equal to 200 percent, but less than 215

625 percent, of the federal poverty level.

626 b. Twenty-six percent if the student's household income
627 level is greater than or equal to 215 percent, but less than 230
628 percent, of the federal poverty level.

629 c. Forty percent if the student's household income level
630 is greater than or equal to 230 percent, but less than 245
631 percent, of the federal poverty level.

632 d. Fifty percent if the student's household income level
633 is greater than or equal to 245 percent, but less than or equal
634 to 260 percent, of the federal poverty level.

635 (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS;
636 APPLICATION.—In order to participate in the scholarship program
637 created by this section or the scholarship program created by s.
638 1002.396, a nonprofit scholarship-funding organization must
639 submit an application for initial approval or renewal to the
640 Office of Independent Education and Parental Choice no later
641 than September 1 of each year, before the school year for which
642 the nonprofit scholarship-funding organization intends to offer
643 scholarships.

644 (a) An application for initial approval must include:

645 1. A copy of the organization's incorporation documents
646 and registration with the Division of Corporations of the
647 Department of State.

648 2. A copy of the organization's Internal Revenue Service
649 determination letter as a s. 501(c)(3) not-for-profit
650 organization.

651 3. A description of the financial plan that demonstrates
652 sufficient funds to operate throughout the school year.

653 4. A description of the geographic region that the
654 organization intends to serve and an analysis of the demand and
655 unmet need for eligible students in that area.

656 5. The organization's organizational chart.

657 6. A description of the criteria and methodology that will
658 be used to evaluate scholarship eligibility.

659 7. A description of the application process, including
660 deadlines and any associated fees.

661 8. A description of the deadlines for attendance
662 verification and scholarship payments.

663 9. A copy of the organization's policies on conflict of
664 interest and whistleblowers.

665 10. A copy of a surety bond or letter of credit in an
666 amount equal to 25 percent of the scholarship funds anticipated
667 for each school year or \$100,000, whichever is greater.

668 (b) In addition to the information required by
669 subparagraphs (a)1.-9., an application for renewal must include:

670 1. A surety bond or letter of credit equal to the amount
671 of undisbursed donations held by the organization based on the
672 annual report submitted pursuant to paragraph (6) (m). The amount
673 of the surety bond or letter of credit must be at least
674 \$100,000, but not more than \$25 million.

675 2. The organization's completed Internal Revenue Service
676 Form 990 submitted no later than November 30 of the year before

677 the school year that the organization intends to offer the
678 scholarships, notwithstanding the September 1 application
679 deadline.

680 3. A copy of the statutorily required audit to the
681 Department of Education and Auditor General.

682 4. An annual report that includes:

683 a. The number of students who completed applications, by
684 county and by grade.

685 b. The number of students who were approved for
686 scholarships, by county and by grade.

687 c. The number of students who received funding for
688 scholarships within each funding category, by county and by
689 grade.

690 d. The amount of funds received, the amount of funds
691 distributed in scholarships, and an accounting of remaining
692 funds and the obligation of those funds.

693 e. A detailed accounting of how the organization spent the
694 administrative funds allowable under paragraph (6) (j).

695 (c) In consultation with the Department of Revenue and the
696 Chief Financial Officer, the Office of Independent Education and
697 Parental Choice shall review the application. The Department of
698 Education shall notify the organization in writing of any
699 deficiencies within 30 days after receipt of the application,
700 and allow the organization 30 days to correct any deficiencies.

701 (d) Within 30 days after receipt of the finalized
702 application by the Office of Independent Education and Parental

703 Choice, the Commissioner of Education shall recommend approval
704 or disapproval of the application to the State Board of
705 Education. The State Board of Education shall consider the
706 application and recommendation at the next scheduled meeting,
707 adhering to appropriate meeting notice requirements. If the
708 State Board of Education disapproves the organization's
709 application, it shall provide the organization with a written
710 explanation of that determination. The State Board of
711 Education's action is not subject to chapter 120.

712 (e) If the State Board of Education disapproves the
713 renewal of a nonprofit scholarship-funding organization, the
714 organization must notify the affected eligible students and
715 parents of the decision within 15 days after disapproval. An
716 eligible student affected by the disapproval of an
717 organization's participation remains eligible under this section
718 until the end of the school year in which the organization was
719 disapproved. The student must apply and be accepted by another
720 eligible nonprofit scholarship-funding organization for the
721 upcoming school year. The student shall be given priority in
722 accordance with paragraph (6)(f).

723 (f) All remaining funds held by a nonprofit scholarship-
724 funding organization that is disapproved for participation shall
725 revert to the Department of Revenue for redistribution to other
726 eligible nonprofit scholarship-funding organizations.

727 (g) A nonprofit scholarship-funding organization is
728 considered a renewing organization if it maintains continuous

729 approval and participation in the program. An organization that
 730 chooses not to participate for 1 year or more or is disapproved
 731 to participate for 1 year or more must submit an application for
 732 initial approval in order to participate in the program again.

733 (h) The State Board of Education shall adopt rules
 734 providing guidelines for receiving, reviewing, and approving
 735 applications for new and renewing nonprofit scholarship-funding
 736 organizations. The rules shall include a process for compiling
 737 input and recommendations from the Chief Financial Officer, the
 738 Department of Revenue, and the Department of Education. The
 739 rules shall also require that the nonprofit scholarship-funding
 740 organization make a brief presentation to assist the State Board
 741 of Education in its decision.

742 Section 4. Section 1002.396, Florida Statutes, is created
 743 to read:

744 1002.396 Florida Sales Tax Credit Scholarship Program.—

745 (1) FINDINGS AND PURPOSE.—

746 (a) The Legislature finds that:

747 1. It has the inherent power to determine subjects of
 748 taxation for general or particular public purposes.

749 2. Expanding educational opportunities and improving the
 750 quality of educational services within the state are valid
 751 public purposes that the Legislature may promote using its
 752 sovereign power to determine subjects of taxation and exemptions
 753 from taxation.

754 3. Ensuring that all parents regardless of means may

755 exercise and enjoy their basic right to educate their children
756 as they see fit is a valid public purpose that the Legislature
757 may promote using its sovereign power to determine subjects of
758 taxation and exemptions from taxation.

759 4. Expanding educational opportunities and the healthy
760 competition they promote are critical to improving the quality
761 of education in the state and to ensuring that all children
762 receive the high-quality education to which they are entitled.

763 (b) The purpose of this section is to:

764 1. Enable registered sales tax dealers to make private,
765 voluntary contributions to nonprofit scholarship-funding
766 organizations in order to promote the general welfare.

767 2. Provide registered sales tax dealers who wish to help
768 parents with limited resources exercise their basic right to
769 educate their children as they see fit with a means to do so.

770 3. Promote the general welfare by expanding educational
771 opportunities for children of families that have limited
772 financial resources.

773 4. Enable children in the state to achieve a greater level
774 of excellence in their education.

775 5. Improve the quality of education in the state by
776 expanding educational opportunities for children and by creating
777 incentives for schools to achieve excellence.

778 (2) DEFINITIONS.—As used in this section, the term:

779 (a) "Annual tax credit amount" means, for any state fiscal
780 year, the sum of the amount of tax credits approved under

781 paragraph (5) (b).

782 (b) "Department" means the Department of Revenue.

783 (c) "Direct certification list" means the certified list
 784 of children who qualify for the food assistance program, the
 785 Temporary Assistance for Needy Families Program, or the Food
 786 Distribution Program on Indian Reservations provided to the
 787 Department of Education by the Department of Children and
 788 Families.

789 (d) "Eligible contribution" means a monetary contribution
 790 from a registered sales tax dealer, subject to the restrictions
 791 provided in this section, to an eligible nonprofit scholarship-
 792 funding organization. The registered sales tax dealer making the
 793 contribution may not designate a specific child as the
 794 beneficiary of the contribution.

795 (e) "Eligible nonprofit scholarship-funding organization"
 796 means a charitable organization that:

- 797 1. Is exempt from federal income tax pursuant to s.
 798 501(c) (3) of the Internal Revenue Code;
- 799 2. Is a Florida entity formed under chapter 607, chapter
 800 608, or chapter 617 whose principal office is located in the
 801 state; and
- 802 3. Complies with the provisions of subsections (6) and
 803 (16).

804 (f) "Eligible private school" means a private school, as
 805 defined in s. 1002.01(2), located in the state that offers an
 806 education to students in any grades K-12 and meets the

807 requirements provided in subsection (8).

808 (g) "Owner or operator" includes:

809 1. An owner, president, officer, or director of an
 810 eligible nonprofit scholarship-funding organization or a person
 811 with equivalent decisionmaking authority over an eligible
 812 nonprofit scholarship-funding organization.

813 2. An owner, operator, superintendent, or principal of an
 814 eligible private school or a person with equivalent
 815 decisionmaking authority over an eligible private school.

816 (h) "Registered sales tax dealer" means a person
 817 registered with the department under chapter 212 to collect and
 818 remit sales or use tax.

819 (i) "Tax credit cap amount" means the maximum annual tax
 820 credit amount that the department may approve in a state fiscal
 821 year.

822 (j) "Unweighted FTE funding amount" means the statewide
 823 average total funds per unweighted full-time equivalent funding
 824 amount that is incorporated by reference in the General
 825 Appropriations Act, or any subsequent special appropriations
 826 act, for the applicable state fiscal year.

827 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.-

828 (a) The Florida Sales Tax Credit Scholarship Program is
 829 established.

830 (b) Contingent upon available funds, a student is eligible
 831 for a tax credit scholarship under this section if the student
 832 meets one or more of the criteria provided in s. 1002.395(3)(b).

833 (4) SCHOLARSHIP PROHIBITIONS.—If a student is ineligible
834 for a tax credit scholarship under s. 1002.395 for any reason
835 provided in s. 1002.395(4), the student is not eligible for a
836 scholarship under this section.

837 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

838 (a) The tax credit cap amount is provided in s. 1002.397.

839 (b) A registered sales tax dealer may submit an
840 application to the department for a tax credit or credits under
841 s. 212.1831(2). The registered sales tax dealer shall specify in
842 the application the applicable state fiscal year for such
843 credits. The department shall approve such tax credits on a
844 first-come, first-served basis. Within 10 days after approving
845 an application, the department must provide a copy of its
846 approval letter to the eligible nonprofit scholarship-funding
847 organization specified by the registered sales tax dealer in the
848 application.

849 (c) If a tax credit approved under paragraph (b) is not
850 fully used within the specified state fiscal year, the unused
851 amount may be carried forward for a period not to exceed 5
852 years. However, any registered sales tax dealer that seeks to
853 carry forward an unused amount of tax credit must submit an
854 application to the department for approval of the carryforward
855 tax credit in the year that the registered sales tax dealer
856 intends to use the carryforward.

857 (d) A registered sales tax dealer may not convey, assign,
858 or transfer an approved tax credit or a carryforward tax credit

859 to another entity unless all of the assets of the registered
860 sales tax dealer are conveyed, assigned, or transferred in the
861 same transaction. However, a tax credit granted under this
862 section may be conveyed, transferred, or assigned between
863 members of an affiliated group of corporations. A registered
864 sales tax dealer must notify the department of its intent to
865 convey, transfer, or assign a tax credit to another member of
866 the affiliated group of corporations. The amount conveyed,
867 transferred, or assigned is available to another member of the
868 affiliated group of corporations upon approval by the
869 department.

870 (e) Within any state fiscal year, a registered sales tax
871 dealer may rescind all or part of a tax credit approved under
872 paragraph (b). The amount rescinded shall become available for
873 that state fiscal year to another eligible taxpayer or
874 registered sales tax dealer as approved by the department if the
875 registered sales tax dealer receives notice from the department
876 that the rescindment has been accepted by the department. Any
877 amount rescinded under this paragraph shall become available to
878 an eligible taxpayer or registered sales tax dealer on a first-
879 come, first-served basis based on tax credit applications
880 received after the date the rescindment is accepted by the
881 department.

882 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
883 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
884 organization participating in the scholarship program

885 established by this section has the same obligations as provided
 886 in s. 1002.395(6).

887 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
 888 PARTICIPATION.—Each parent and each student participating in the
 889 program has the same obligations and responsibilities as
 890 provided in s. 1002.395(7).

891 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An
 892 eligible private school may be sectarian or nonsectarian and
 893 must comply with all of the requirements provided in s.
 894 1002.395(8).

895 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
 896 Education shall:

897 (a) Annually, by March 15, submit to the department and
 898 division a list of eligible nonprofit scholarship-funding
 899 organizations that meet the requirements of paragraph (2)(e).

900 (b) Annually verify the eligibility of nonprofit
 901 scholarship-funding organizations that meet the requirements of
 902 paragraph (2)(e).

903 (c) Annually verify the eligibility of private schools
 904 that meet the requirements of subsection (8).

905 (d) Annually verify the eligibility of expenditures as
 906 provided in s. 1002.395(6)(d) using an audit as required by s.
 907 1002.395(6)(m).

908 (e) Establish a toll-free hotline that provides parents
 909 and private schools with information on participation in the
 910 scholarship program.

911 (f) Establish a process by which individuals may notify
912 the Department of Education of any violation by a parent,
913 private school, or school district of state laws relating to
914 program participation. The Department of Education shall conduct
915 an inquiry of any written complaint of a violation of this
916 section, or make a referral to the appropriate agency for an
917 investigation, if the complaint is signed by the complainant and
918 is legally sufficient. A complaint is legally sufficient if it
919 contains ultimate facts that show that a violation of this
920 section or any rule adopted by the State Board of Education has
921 occurred. In order to determine legal sufficiency, the
922 Department of Education may require supporting information or
923 documentation from the complainant. A department inquiry is not
924 subject to chapter 120.

925 (g) Require an annual, notarized, sworn compliance
926 statement by participating private schools certifying compliance
927 with state laws and shall retain such records.

928 (h) Cross-check the list of participating scholarship
929 students with the public school enrollment lists to avoid
930 duplication.

931 (i) Maintain a list of nationally norm-referenced tests
932 identified for purposes of satisfying the testing requirement in
933 s. 1002.395(8)(c)2. The tests must meet industry standards of
934 quality in accordance with State Board of Education rule.

935 (j) Select an independent research organization, which may
936 be a public or private entity or university, to which

937 participating private schools must report the scores of
938 participating students on the nationally norm-referenced tests
939 or the statewide assessments administered by the private school
940 in grades 3 through 10.

941 1. The independent research organization must annually
942 report to the Department of Education on the year-to-year
943 learning gains of participating students:

944 a. On a statewide basis. The report shall also include, to
945 the extent possible, a comparison of these learning gains to the
946 statewide learning gains of public school students with
947 socioeconomic backgrounds similar to those of students
948 participating in the scholarship program. To minimize costs and
949 reduce time required for the independent research organization's
950 analysis and evaluation, the Department of Education shall
951 conduct analyses of matched students from public school
952 assessment data and calculate control group learning gains using
953 an agreed-upon methodology outlined in the contract with the
954 independent research organization; and

955 b. According to each participating private school in which
956 there are at least 30 participating students who have scores for
957 tests administered during or after the 2009-2010 school year for
958 2 consecutive years at that private school.

959 2. The sharing and reporting of student learning gain data
960 under this paragraph must be in accordance with the requirements
961 of 20 U.S.C. s. 1232g, the Family Educational Rights and Privacy
962 Act, and shall be for the sole purpose of creating the annual

963 report required by subparagraph 1. All parties must preserve the
964 confidentiality of such information as required by law. The
965 annual report must not disaggregate data to a level that
966 identifies individual participating schools, except as required
967 under sub-subparagraph 1.b., or disclose the academic level of
968 individual students.

969 3. The annual report required by subparagraph 1. shall be
970 published by the Department of Education on its website.

971 (k) Notify an eligible nonprofit scholarship-funding
972 organization of any of the organization's identified students
973 who are receiving educational scholarships pursuant to this
974 chapter.

975 (l) Notify an eligible nonprofit scholarship-funding
976 organization of any of the organization's identified students
977 who are receiving tax credit scholarships from other eligible
978 nonprofit scholarship-funding organizations.

979 (m) Require quarterly reports by an eligible nonprofit
980 scholarship-funding organization regarding the number of
981 students participating in the scholarship program, the private
982 schools at which the students are enrolled, and other
983 information deemed necessary by the Department of Education.

984 (n)1. Conduct site visits to private schools participating
985 in the Florida Sales Tax Credit Scholarship Program. The purpose
986 of the site visits is solely to verify the information reported
987 by the schools concerning the enrollment and attendance of
988 students, the credentials of teachers, background screening of

989 teachers, and teachers' fingerprinting results. The Department
990 of Education may not make more than seven site visits each year;
991 however, the department may make additional site visits at any
992 time to any school that has received a notice of noncompliance
993 or a notice of proposed action within the previous 2 years.

994 2. Annually, by December 15, report to the Governor, the
995 President of the Senate, and the Speaker of the House of
996 Representatives the Department of Education's actions with
997 respect to implementing accountability in the scholarship
998 program under this section and s. 1002.421; any substantiated
999 allegations or violations of law or rule by an eligible private
1000 school under this program concerning the enrollment and
1001 attendance of students, the credentials of teachers, background
1002 screening of teachers, and teachers' fingerprinting results; and
1003 the corrective action taken by the Department of Education.

1004 (o) Provide a process to match the direct certification
1005 list with the scholarship application data submitted by any
1006 nonprofit scholarship-funding organization eligible to receive
1007 the 3-percent administrative allowance under s. 1002.395(6)(j).

1008 (p) Upon the request of a participating private school,
1009 provide at no cost to the school the statewide assessments
1010 administered under s. 1008.22 and any related materials for
1011 administering the assessments. Students at a private school may
1012 be assessed using the statewide assessments if the addition of
1013 those students and the school does not cause the state to exceed
1014 its contractual caps for the number of students tested and the

1015 number of testing sites. The state shall provide the same
 1016 materials and support to a private school that it provides to a
 1017 public school. A private school that chooses to administer
 1018 statewide assessments under s. 1008.22 shall follow the
 1019 requirements set forth in ss. 1008.22 and 1008.24, rules adopted
 1020 by the State Board of Education to implement those sections, and
 1021 district-level testing policies established by the district
 1022 school board.

1023 (10) SCHOOL DISTRICT OBLIGATIONS; PARENTAL OPTIONS.-

1024 (a) Upon the request of any eligible nonprofit
 1025 scholarship-funding organization, a school district shall inform
 1026 all households within the district receiving free or reduced-
 1027 priced meals under the National School Lunch Act of their
 1028 eligibility to apply for a tax credit scholarship. The form of
 1029 such notice shall be provided by the eligible nonprofit
 1030 scholarship-funding organization, and the district shall include
 1031 the provided form, if requested by the organization, in any
 1032 normal correspondence with eligible households. If an eligible
 1033 nonprofit scholarship-funding organization requests a special
 1034 communication to be issued to households within the district
 1035 receiving free or reduced-price meals under the National School
 1036 Lunch Act, the organization shall reimburse the district for the
 1037 cost of postage. Such notice is limited to once a year.

1038 (b) Upon the request of the Department of Education, a
 1039 school district shall coordinate with the department to provide
 1040 to a participating private school the statewide assessments

1041 administered under s. 1008.22 and any related materials for
 1042 administering the assessments. A school district is responsible
 1043 for implementing test administrations at a participating private
 1044 school, including the:

1045 1. Provision of training for private school staff on test
 1046 security and assessment administration procedures;

1047 2. Distribution of testing materials to a private school;

1048 3. Retrieval of testing materials from a private school;

1049 4. Provision of the required format for a private school
 1050 to submit information to the district for test administration
 1051 and enrollment purposes; and

1052 5. Provision of any required assistance, monitoring, or
 1053 investigation at a private school.

1054 (11) COMMISSIONER OF EDUCATION AUTHORITY AND OBLIGATIONS.-

1055 The Commissioner of Education has all the powers and is subject
 1056 to the same limitations as provided in s. 1002.395(11) with
 1057 regard to the denial, suspension, or revocation of participation
 1058 in the scholarship program established by this section.

1059 (12) SCHOLARSHIP AMOUNT AND PAYMENT.-

1060 (a) The amount of a scholarship provided to a student for
 1061 a single school year by an eligible nonprofit scholarship-
 1062 funding organization from eligible contributions shall be for
 1063 total costs authorized under s. 1002.395(6) (d), not to exceed
 1064 annual limits, which shall be determined pursuant to s.
 1065 1002.395(12) (a).

1066 (b) Payment of the scholarship by the eligible nonprofit

1067 scholarship-funding organization shall be by individual warrant
1068 made payable to the student's parent. If the parent chooses that
1069 his or her child attend an eligible private school, the warrant
1070 must be delivered by the eligible nonprofit scholarship-funding
1071 organization to the private school of the parent's choice, and
1072 the parent shall restrictively endorse the warrant to the
1073 private school. An eligible nonprofit scholarship-funding
1074 organization shall ensure that the parent to whom the warrant is
1075 made restrictively endorses the warrant to the private school
1076 for deposit into the account of the private school.

1077 (c) An eligible nonprofit scholarship-funding organization
1078 shall obtain verification from the private school of a student's
1079 continued attendance at the school for each period covered by a
1080 scholarship payment.

1081 (d) Payment of the scholarship shall be made by the
1082 eligible nonprofit scholarship-funding organization at least
1083 quarterly.

1084 (13) ADMINISTRATION; RULES.—

1085 (a) The department and the Department of Education shall
1086 develop a cooperative agreement to assist in the administration
1087 of this section.

1088 (b) The department shall adopt rules necessary to
1089 administer this section, including rules establishing
1090 application forms, procedures governing the approval of tax
1091 credits, and procedures to be followed by registered sales tax
1092 dealers when claiming approved tax credits on their returns.

1093 (c) The State Board of Education shall adopt rules to
 1094 administer the responsibilities of the Department of Education
 1095 and the Commissioner of Education under this section.

1096 (14) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.—All eligible
 1097 contributions received by an eligible nonprofit scholarship-
 1098 funding organization shall be deposited in a manner consistent
 1099 with s. 17.57(2).

1100 (15) PRESERVATION OF CREDIT.—If a provision or portion of
 1101 this section or s. 212.1831 or the application thereof to a
 1102 person or circumstance is held unconstitutional by a court or is
 1103 otherwise declared invalid, the unconstitutionality or
 1104 invalidity shall not affect a credit earned under s. 212.1831 by
 1105 a registered sales tax dealer with respect to a contribution
 1106 paid to an eligible nonprofit scholarship-funding organization
 1107 before the date of a determination of unconstitutionality or
 1108 invalidity. Such credit shall be allowed at such time and in
 1109 such a manner as if a determination of unconstitutionality or
 1110 invalidity had not been made if nothing in this subsection by
 1111 itself or in combination with another provision of law results
 1112 in the allowance of a credit to a registered sales tax dealer in
 1113 excess of \$1 of credit for each dollar paid to an eligible
 1114 nonprofit scholarship-funding organization.

1115 (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.—In order
 1116 to participate in the scholarship program created by this
 1117 section, a nonprofit scholarship-funding organization must
 1118 comply with the obligations and requirements provided in s.

1119 1002.395(16).

1120 Section 5. Section 1002.397, Florida Statutes, is created
1121 to read:

1122 1002.397 Scholarship Funding Tax Credit Cap Limits.-

1123 (1) The sum of the tax credit amounts approved under ss.
1124 1002.395 and 1002.396 by the Department of Revenue may not
1125 exceed the following annual limits:

1126 (a) Beginning in the 2014-2015 state fiscal year, the
1127 limit is \$401.45 million.

1128 (b) In the state fiscal year immediately following the
1129 first state fiscal year in which the sum of annual tax credit
1130 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1131 than 90 percent of the limit set forth in paragraph (a), the
1132 limit is \$490.95 million.

1133 (c) In the state fiscal year immediately following the
1134 first state fiscal year in which the sum of annual tax credit
1135 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1136 than 90 percent of the limit set forth in paragraph (b), the
1137 limit is \$602.75 million.

1138 (d) In the state fiscal year immediately following the
1139 first state fiscal year in which the sum of annual tax credit
1140 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1141 than 90 percent of the limit set forth in paragraph (c), the
1142 limit is \$742.55 million.

1143 (e) In the state fiscal year immediately following the
1144 first state fiscal year in which the sum of annual tax credit

1145 amounts under ss. 1002.395 and 1002.396 is equal to or greater
 1146 than 90 percent of the limit set forth in paragraph (d), the
 1147 limit is \$917.45 million.

1148 (f) For each state fiscal year following the fiscal year
 1149 in which the limit in paragraph (e) has been reached, the limit
 1150 is the same as the limit in the previous state fiscal year.
 1151 However, for any state fiscal year in which the sum of annual
 1152 tax credit amounts under ss. 1002.395 and 1002.396 is equal to
 1153 or greater than 90 percent of the limit applicable to that state
 1154 fiscal year, the limit shall increase by 25 percent for the
 1155 immediately subsequent state fiscal year.

1156 (2) The Department of Revenue shall publish the annual tax
 1157 credit amount limit for ss. 1002.395 and 1002.396 on its website
 1158 and shall update the limit upon each increase.

1159 Section 6. Subsection (1) of section 1002.421, Florida
 1160 Statutes, is amended to read:

1161 1002.421 Accountability of private schools participating
 1162 in state school choice scholarship programs.—

1163 (1) A Florida private school participating in the Florida
 1164 Tax Credit Scholarship Program established pursuant to s.
 1165 1002.395, the Florida Sales Tax Credit Scholarship Program
 1166 established pursuant to s. 1002.396, or an educational
 1167 scholarship program established pursuant to this chapter must
 1168 comply with all requirements of this section in addition to
 1169 private school requirements outlined in s. 1002.42, specific
 1170 requirements identified within respective scholarship program

1171 laws, and other provisions of state ~~Florida~~ law that apply to
1172 private schools.

1173 Section 7. A scholarship-funding organization whose
1174 application for participation in the program established by s.
1175 1002.395, Florida Statutes, was approved before July 1, 2014,
1176 shall, by August 1, 2014, provide a copy of a surety bond or
1177 letter of credit meeting the requirements of s. 1002.395(16),
1178 Florida Statutes, to the Office of Independent Education and
1179 Parental Choice.

1180 Section 8. The Department of Revenue and the Department of
1181 Education may, and all conditions are deemed met to, adopt
1182 emergency rules pursuant to ss. 120.536(1) and 120.54, Florida
1183 Statutes, to administer this act.

1184 Section 9. This act shall take effect July 1, 2014.