

CHAPTER 97-188

Committee Substitute for House Bill No. 129

An act relating to investments in education; creating the Florida Education Technology Foundation for certain purposes; providing for a board of directors; providing for membership; providing for appointing members; providing for electing members; providing duties of the board; providing for creation of Florida's Future Investment Funds for certain purposes; providing for investment of moneys in such funds; providing for donating certain revenues to the foundation; providing for contributing a portion of investment interest to the foundation for certain purposes; providing for a reduced intangibles tax rate on securities in Florida's Future Investment Funds under certain circumstances; creating s. 212.0602, F.S.; exempting the purchase or lease of certain items by certain educational entities, institutions, or organizations from the sales and use tax under certain limited circumstances; providing an effective date.

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

Section 1. (1) The purpose of this section is to provide a mechanism by which the business community in this state can directly participate in providing assistance to the growth and development of education enhancement in this state through contributions to special state-sponsored investment funds. The purpose of such funds is to provide funding for computers, computer technology, training in computer education, and scholarships for business-related careers for the education system, including kindergarten through twelfth grade, community colleges, and universities.

(2) The Florida Education Technology Foundation is created as a non-profit corporation for the purpose of establishing a series of state-sponsored investment funds to be known as Florida's Future Investment Funds. The purpose of such funds is to provide a source of revenue which shall be used by the foundation to provide funding for:

(a) Buying and maintaining computers and computer-related technology for all levels of the education system supported in whole or in part with public funds in this state.

(b) Training teachers and faculty to use computer equipment and technology and to teach the effective use of computer equipment and technology.

(c) Scholarships for business-related fields.

(3) The foundation shall be governed by a board of directors consisting of 11 members, one of whom shall be the Commissioner of Education or his or her designee, one of whom shall be the Treasurer or his or her designee, one of whom shall be appointed by the President of the Senate, one of whom shall be appointed by the Speaker of the House of Representatives, and the remaining 7 of whom shall initially be appointed by the Florida Council of

100 from membership of the council and thereafter shall be elected by the corporations and businesses that contribute moneys to a Florida's Future Investment Fund. Of the first members appointed by the Florida Council of 100, three shall be appointed for a term of 1 year and four shall be appointed for a term of 2 years. Thereafter, those members shall be elected and shall serve for terms of 4 years. Each corporation shall receive one vote for investing up to \$25 million in a Florida's Future Investment Fund and shall receive an additional vote for each additional investment of \$25 million. A chair shall be elected by the members of the board and the board shall meet at the call of the chair. In no event shall the state or its officers, employees, or agencies be liable for the actions of the foundation, its directors, or the fund managers.

(4) The foundation shall establish Florida's Future Investment Funds for the purpose of investing moneys placed in such funds by corporations and businesses in this state and receiving a portion of such interest to be used as provided in subsection (2). The board of directors shall provide for the administration and management of such funds to maximize the return on investment of moneys in such funds. The board of directors may hire outside managers to administer and invest the moneys in the Florida's Future Investment Funds. The board shall prescribe the level of prudence and ethical standards to be followed by the fund managers. Alternatively, moneys in the Florida's Future Investment Funds may be invested by the State Board of Administration in accordance with a trust agreement entered into between the board of directors and the State Board of Administration in accordance with sections 215.44-215.53, Florida Statutes. It is the intent of the Legislature that administrative fees be as low as possible. The staff of the Commissioner of Education shall serve as support staff for the board of directors.

(5) A corporation or business participating in a Florida's Future Investment Fund shall contribute a portion of the interest earned on investments of moneys in the fund to the Florida Education Technology Foundation to be used as provided in subsection (2). The portion of interest earned and donated may be determined by action of the board of directors of the foundation.

(6) The provisions of chapter 119, Florida Statutes, relating to public records and chapter 286, Florida Statutes, relating to public meetings apply to all records and meetings of the foundation. The financial records of the foundation must be made available to the Auditor General for post audit purposes.

(7) Within 90 days after its organization, the foundation shall develop a business plan for the conduct of its financial operations. Moneys realized from investment gains must be distributed to schools in a manner consistent with the business plan. Such moneys shall not be subject to appropriation by the Legislature, and no school shall have any other distribution of funds to which it is entitled reduced, compromised, or supplanted as a result of its receipt of moneys from the foundation.

Section 2. (1) Notwithstanding the provisions of chapter 199, Florida Statutes, the tax imposed under section 199.032, Florida Statutes, on securi-

ties in a Florida's Future Investment Fund shall apply at the rate of 1.85 mills when the average daily balance in such funds exceeds \$2 billion and at the rate of 1.70 mills when the average daily balance in such funds exceeds \$5 billion.

(2) This section shall not apply in any year in which the revenues of the foundation in the previous calendar year are less than the tax savings allowed by this section. "Tax savings" means the difference between the tax that would be imposed pursuant to section 199.032, Florida Statutes, and the tax rate specified in subsection (1).

Section 3. Section 212.0602, Florida Statutes, is created to read:

212.0602 Education; limited exemption.—To facilitate investment in education and job training, there is also exempt from the taxes levied under this chapter, subject to the provisions of this section, the purchase or lease of materials, equipment, and other items by any entity, institution, or organization that is primarily engaged in teaching students to perform any of the activities or services described in s. 212.031(1)(a)9., that conducts classes at a fixed location located in this state, that is licensed under chapter 246, and that has at least 500 enrolled students. Any entity, institution, or organization meeting the requirements of this section shall be deemed to qualify for the exemptions in ss. 212.031(1)(a)9., 212.08(5)(f), and 212.08(12), and to qualify for an exemption for its purchase or lease of materials, equipment, and other items used for education or demonstration of the school's curriculum. Nothing in this section shall preclude an entity described in this section from qualifying for any other exemption provided for in this chapter.

Section 4. This act shall take effect upon becoming a law.

Became a law without the Governor's approval May 30, 1997.

Filed in Office Secretary of State May 29, 1997.