

CHAPTER 99-236

Senate Bill No. 1670

An act relating to trust funds; creating s. 240.4595, F.S.; creating the Student Loan Operating Trust Fund within the Department of Education; providing for sources of funds and purposes; exempting the trust fund from various service charges; providing for annual carry-forward of funds; providing for future review and termination or re-creation of the trust fund; providing for transfer of certain funds to the trust fund; providing an effective date.

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

Section 1. Section 240.4595, Florida Statutes, is created to read:

240.4595 Student Loan Operating Trust Fund.—

(1) The Student Loan Operating Trust Fund is hereby created, to be administered by the Department of Education. Funds shall be credited to the trust fund pursuant to the Higher Education Act of 1965, as amended, from loan processing and issuance fees, administrative cost allowances, account maintenance fees, default aversion fees, amounts remaining from collection of defaulted loans, amounts borrowed from the Student Loan Guaranty Reserve Fund, and other amounts specified in federal regulation. The purpose of the trust fund is to segregate funds used for administration of the guaranteed student loan program from the reserve funds used to guarantee student loans contained in the Student Loan Guaranty Reserve Fund. The fund is exempt from the service charges imposed by s. 215.20.

(2) Notwithstanding the provisions of s. 216.301 and pursuant to s. 216.351, any balance in the trust fund at the end of any fiscal year shall remain in the trust fund at the end of the year and shall be available for carrying out the purposes of the trust fund.

(3) Pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the trust fund shall, unless terminated sooner, be terminated on July 1, 2003. However, prior to its scheduled termination, the trust fund shall be reviewed as provided in s. 215.3206(1) and (2).

Section 2. Funds for administration of the guaranteed student loan program pursuant to the Higher Education Act of 1965, as amended, shall be transferred from the Student Loan Guaranty Reserve Fund to the Student Loan Operating Trust Fund on July 1, 1999.

Section 3. This act shall take effect July 1, 1999.

Approved by the Governor June 4, 1999.

Filed in Office Secretary of State June 4, 1999.