

## House Bill No. 263

An act relating to the Florida Prepaid College Board programs; amending s. 1009.97, F.S.; renaming the Florida Prepaid College Program; amending s. 1009.972, F.S.; authorizing funds in the Florida Prepaid Tuition Scholarship Program to be used for certain approved scholarship programs; amending s. 1009.98, F.S.; deleting a restriction on the types of postsecondary educational institutions to which a qualified beneficiary may apply his or her benefits under the Florida Prepaid College Program; requiring certain advertisements to contain a disclaimer regarding the program; conforming provisions; amending s. 1009.983, F.S.; requiring the direct-support organization of the Florida Prepaid College Board to administer the Florida Prepaid Tuitions Scholarship Program; authorizing the board to establish and administer additional scholarship programs supported from escheated funds retained by the board if the matching funds used for the scholarships are obtained from the private sector; amending s. 732.402, F.S.; conforming provisions; providing an effective date.

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

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

1009.97 General provisions.—

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

(d) “Prepaid program” means the Stanley G. Tate Florida Prepaid College Program established pursuant to s. 1009.98.

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

1009.972 Florida Prepaid College Trust Fund.—

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

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

1009.98 Stanley G. Tate Florida Prepaid College Program.—

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

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

(a) An independent college or university that is located and chartered in Florida, ~~that is not for profit~~, that is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools or the Accrediting Council for Independent Colleges and Schools, and that confers degrees as defined in s. 1005.02. Any advertisement disseminated by an eligible for-profit independent college or university that references the Stanley G. Tate Florida Prepaid College Program shall clearly state the following: “While the benefits of a Florida Prepaid College contract may be utilized at this institution, the Florida Prepaid College Board does not endorse any particular college or university.”

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

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

(k) The period of time after which advance payment contracts that have not been terminated or the benefits used shall be considered terminated. Time expended by a qualified beneficiary as an active duty member of any of the armed services of the United States shall be added to the period of time specified by the board. ~~A No purchaser or qualified beneficiary whose advance payment contract is terminated pursuant to this paragraph is not shall be entitled to a refund.~~ Notwithstanding chapter 717, the board shall retain any moneys paid by the purchaser for an advance payment contract that has been terminated in accordance with this paragraph. Such moneys may be transferred to the Florida Prepaid Tuition Scholarship Program to provide matching funds for prepaid tuition scholarships for economically disadvantaged youths who remain drug free and crime free. In addition, such funds may be used for any other scholarship programs approved by the board under s. 1009.983(8)(b) provided that any matching funds are obtained solely from the private sector.

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

1009.983 Direct-support organization; authority.—

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

(b) The board may establish and administer additional scholarship programs supported from escheated funds retained by the board pursuant to s. 1009.972(5) provided that any matching funds for such scholarships are obtained solely from the private sector. The board shall develop criteria for approval of additional scholarship programs supported from escheated funds. The direct-support organization's annual report shall include a list of any additional scholarship programs approved by the board pursuant to this subsection, including a description of the programs and the amount of escheated funds utilized to fund the programs.

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

732.402 Exempt property.—

(2) Exempt property shall consist of:

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

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

Approved by the Governor June 26, 2006.

Filed in Office Secretary of State June 26, 2006.