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1                               A bill to be entitled

2           An act relating to tax credit scholarship programs;

3           amending s. 212.1831, F.S.; creating a credit against

4           the sales and use tax; amending s. 213.053, F.S.;

5           revising taxpayer confidentiality rules; amending s.

6           1002.395, F.S.; revising student eligibility criteria;

7           allowing transfer of tax credits among affiliated

8           corporations; increasing the number of disqualifying

9           offenses for scholarship-funding organization owners

10          and operators; revising priority for new applicants;

11          requiring parental authorization for access to income

12          eligibility information; increasing the scholarship

13          amount limit per student; providing for a reduction in

14          scholarship amounts based on household income;

15          requiring additional information for initial approval

16          and renewal of scholarship-funding organization

17          participation; creating an application and approval

18          evaluation process; creating s. 1002.396, F.S.;

19          establishing the Florida Sales Tax Credit Scholarship

20          Program; duplicating provisions of the Florida Tax

21          Credit Scholarship Program; creating s. 1002.397,

22          F.S.; establishing a combined tax credit cap for the

23          Florida Tax Credit Scholarship Program and Florida

24          Sales Tax Credit Scholarship Program; establishing a

25          schedule of combined tax credit cap amounts; amending

26          s. 1002.421, F.S.; revising a reference; providing

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27 that scholarship-funding organizations approved for  
 28 participation prior to July 1, 2014, must provide a  
 29 copy of a surety bond or letter of credit by August 1,  
 30 2014; providing rulemaking authority; providing an  
 31 effective date.

32  
 33 Be It Enacted by the Legislature of the State of Florida:

34  
 35 Section 1. Section 212.1831, Florida Statutes, is amended  
 36 to read:

37 212.1831 Credit for contributions to eligible nonprofit  
 38 scholarship-funding organizations.—

39 (1) There is allowed a credit of 100 percent of an eligible  
 40 contribution made to an eligible nonprofit scholarship-funding  
 41 organization under s. 1002.395 against any tax imposed by the  
 42 state and due under this chapter from a direct pay permit holder  
 43 as a result of the direct pay permit held pursuant to s.  
 44 212.183. For purposes of the distributions of tax revenue under  
 45 s. 212.20, the department shall disregard any tax credits  
 46 allowed under this subsection to ensure that any reduction in  
 47 tax revenue received that is attributable to the tax credits  
 48 results only in a reduction in distributions to the General  
 49 Revenue Fund. The provisions of ss. 1002.395 and 1002.397 apply  
 50 to the credit authorized by this subsection.

51 (2) There is allowed a credit of 100 percent of an  
 52 eligible contribution made to an eligible nonprofit scholarship-

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53 funding organization under s. 1002.396 against any tax imposed  
 54 by the state and due under this chapter. For purposes of the  
 55 distributions of tax revenue under s. 212.20, the department  
 56 shall disregard any tax credits allowed under this subsection to  
 57 ensure that any reduction in tax revenue received that is  
 58 attributable to the tax credits results only in a reduction in  
 59 distributions to the General Revenue Fund. The credits against  
 60 the state sales tax authorized pursuant to s. 1002.396 shall be  
 61 deducted from any sales and use tax remitted by the dealer to  
 62 the department by electronic funds transfer and may only be  
 63 deducted on a sales and use tax return initiated through  
 64 electronic data interchange. The dealer shall separately state  
 65 the credit on the electronic return. The net amount of tax due  
 66 and payable must be remitted by electronic funds transfer. A  
 67 dealer may only obtain a credit using the method described in  
 68 this subparagraph. A dealer is not authorized to obtain a credit  
 69 by applying for a refund. The provisions of ss. 1002.396 and  
 70 1002.397 apply to credits granted under this subsection.

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

73 213.053 Confidentiality and information sharing.—

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

76 (cc) For purposes of notification that a tax credit has  
 77 been reserved, a copy of a letter of approval issued by the  
 78 department to a taxpayer for an allocation of a tax credit to

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79 the eligible nonprofit scholarship-funding organization selected  
 80 by the taxpayer in an application for a tax credit authorized  
 81 under ss. 1002.395 or 1002.396.

82  
 83 Disclosure of information under this subsection shall be  
 84 pursuant to a written agreement between the executive director  
 85 and the agency. Such agencies, governmental or nongovernmental,  
 86 shall be bound by the same requirements of confidentiality as  
 87 the Department of Revenue. Breach of confidentiality is a  
 88 misdemeanor of the first degree, punishable as provided by s.  
 89 775.082 or s. 775.083.

90 Section 3. Paragraph (f) of subsection (2), paragraph (b)  
 91 of subsection (3), paragraph (b) of subsection (4), paragraphs  
 92 (a), (b), (c), and (d) of subsection (5), paragraphs (b), (c),  
 93 (e), and (i) of subsection (6), paragraph (e) of subsection (8),  
 94 paragraphs (d) and (o) of subsection (9), and paragraph (a) of  
 95 subsection (12) of section 1002.395, Florida Statutes, are  
 96 amended, and paragraph (h) is added to subsection (2),  
 97 paragraphs (h) and (p) are added to subsection (6), paragraph  
 98 (g) is added to subsection (7), paragraph (q) is added to  
 99 subsection (9), and subsection (16) of that section are created  
 100 to read:

101 1002.395 Florida Tax Credit Scholarship Program.—

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

103 (f) "Eligible nonprofit scholarship-funding organization"

104 means a charitable organization that:

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105           1. Is exempt from federal income tax pursuant to s.  
 106 501(c)(3) of the Internal Revenue Code;  
 107           2. Is a Florida entity formed under chapter 607, chapter  
 108 608, or chapter 617 and whose principal office is located in the  
 109 state; and  
 110           3. Complies with the provisions of subsections (6) and  
 111 (16).  
 112           (h) "Household income" has the same meaning as provided in  
 113 the Eligibility Guidelines for free and reduced price meals for  
 114 the National School Lunch Program in 7 C.F.R. Part 210.  
 115           (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—  
 116           (b) Contingent upon available funds, a student is eligible  
 117 for a Florida tax credit scholarship under this section if the  
 118 student meets one or more of the following criteria:  
 119           1. For the 2014-2015 and 2015-2016 school years, the  
 120 student qualifies for free or reduced-price school lunches under  
 121 the National School Lunch Act or is on the direct certification  
 122 list ~~and:~~  
 123           ~~a. Was counted as a full-time equivalent student during~~  
 124 ~~the previous state fiscal year for purposes of state per-student~~  
 125 ~~funding;~~  
 126           ~~b. Received a scholarship from an eligible nonprofit~~  
 127 ~~scholarship funding organization or from the State of Florida~~  
 128 ~~during the previous school year; or~~  
 129           ~~e. Is eligible to enter kindergarten through fifth grade.~~  
 130           2. The student is currently placed, or during the previous

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131 state fiscal year was placed, in foster care or in out-of-home  
 132 care as defined in s. 39.01. A student eligible for a  
 133 scholarship under this subparagraph remains eligible until the  
 134 student graduates from high school or turns 21 years of age,  
 135 whichever occurs later.

136 3. For the 2014-2015 and 2015-2016 school years, the  
 137 student continues in the scholarship program as long as the  
 138 student's household income level does not exceed 230 percent of  
 139 the federal poverty level.

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

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

147 a. the student spent the prior school year in attendance at  
 148 a public school in the state and was enrolled and reported by  
 149 the school district for funding during October and February for  
 150 purposes of the Florida Education Finance Program membership  
 151 surveys; or

152 b. the student is eligible to enter kindergarten or first  
 153 grade. ~~The student, who is a first-time tax credit scholarship~~  
 154 ~~recipient, is a sibling of a student who is continuing in the~~  
 155 ~~scholarship program and who resides in the same household as the~~  
 156 ~~student if the sibling meets one or more of the criteria~~

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157 ~~specified in subparagraphs 1. and 2. and as long as the~~  
 158 ~~student's and sibling's household income level does not exceed~~  
 159 ~~230 percent of the federal poverty level.~~

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

162 (b) Receiving a scholarship from another eligible  
 163 nonprofit scholarship-funding organization under this section or  
 164 under s. 1002.396;

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

166 (a)~~1.~~ The tax credit cap is as provided in s. 1002.397. ~~is~~  
 167 ~~\$229 million in the 2012-2013 state fiscal year.;~~

168 ~~2. In the 2013-2014 state fiscal year, and for each state~~  
 169 ~~fiscal year thereafter, the tax credit cap amount is the tax~~  
 170 ~~credit cap amount in the prior state fiscal year. However, in~~  
 171 ~~any state fiscal year when the annual tax credit amount for the~~  
 172 ~~prior state fiscal year is equal to or greater than 90 percent~~  
 173 ~~of the tax credit cap amount applicable to that state fiscal~~  
 174 ~~year, the tax credit cap amount shall increase by 25 percent.~~  
 175 ~~The department shall publish on its website information~~  
 176 ~~identifying the tax credit cap amount when it is increased~~  
 177 ~~pursuant to this subparagraph.~~

178 (b) A taxpayer may submit an application to the department  
 179 for a tax credit or credits under one or more of s. 211.0251, s.  
 180 212.1831(1), s. 220.1875, s. 561.1211, or s. 624.51055.

181 1. The taxpayer shall specify in the application each tax  
 182 for which the taxpayer requests a credit and the applicable

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183 taxable year for a credit under s. 220.1875 or s. 624.51055 or  
 184 the applicable state fiscal year for a credit under s. 211.0251,  
 185 s. 212.1831(1), or s. 561.1211. The department shall approve tax  
 186 credits on a first-come, first-served basis and must obtain the  
 187 division's approval prior to approving a tax credit under s.  
 188 561.1211.

189 2. Within 10 days after approving an application, the  
 190 department must provide a copy of its approval letter to the  
 191 eligible nonprofit scholarship funding organization specified by  
 192 the taxpayer in the application.

193 (c) If a tax credit approved under paragraph (b) is not  
 194 fully used within the specified state fiscal year for credits  
 195 under s. 211.0251, s. 212.1831(1), or s. 561.1211 or against  
 196 taxes due for the specified taxable year for credits under s.  
 197 220.1875 or s. 624.51055 because of insufficient tax liability  
 198 on the part of the taxpayer, the unused amount may be carried  
 199 forward for a period not to exceed 5 years. However, any  
 200 taxpayer that seeks to carry forward an unused amount of tax  
 201 credit must submit an application to the department for approval  
 202 of the carryforward tax credit in the year that the taxpayer  
 203 intends to use the carryforward. The department must obtain the  
 204 division's approval prior to approving the carryforward of a tax  
 205 credit under s. 561.1211.

206 (d) A taxpayer may not convey, assign, or transfer an  
 207 approved tax credit or a carryforward tax credit to another  
 208 entity unless all of the assets of the taxpayer are conveyed,



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209 assigned, or transferred in the same transaction. However, a tax  
 210 credit may be conveyed, transferred, or assigned between the  
 211 members of an affiliated group of corporations if the type of  
 212 tax credit under s. 211.0251, s. 212.1831(1), s. 220.1875, s.  
 213 561.1211, or s. 624.51055 remains the same. A taxpayer must  
 214 notify the department of the intent to convey, transfer, or  
 215 assign a tax credit to another member within an affiliated group  
 216 of corporations. The amount conveyed, transferred, or assigned  
 217 is available to another member of the affiliated group of  
 218 corporations upon approval by the department. The department  
 219 must obtain the division's approval before approving the  
 220 conveyed, transferred, or assigned tax credit under s. 561.1211.

221 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING  
 222 ORGANIZATIONS.—An eligible nonprofit scholarship-funding  
 223 organization:

224 (a) Must comply with the antidiscrimination provisions of  
 225 42 U.S.C. s. 2000d.

226 (b) Must comply with the following background check  
 227 requirements:

228 1. All owners and operators as defined in subparagraph  
 229 (2) ~~(i)-(h)~~ 1. are, prior to ~~upon~~ employment or engagement to  
 230 provide services, subject to level 2 background screening as  
 231 provided under chapter 435. The fingerprints for the background  
 232 screening must be electronically submitted to the Department of  
 233 Law Enforcement and can be taken by an authorized law  
 234 enforcement agency or by an employee of the eligible nonprofit

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235 scholarship-funding organization or a private company who is  
 236 trained to take fingerprints. However, the complete set of  
 237 fingerprints of an owner or operator may not be taken by the  
 238 owner or operator. The results of the state and national  
 239 criminal history check shall be provided to the Department of  
 240 Education for screening under chapter 435. The cost of the  
 241 background screening may be borne by the eligible nonprofit  
 242 scholarship-funding organization or the owner or operator.

243         2. Every 5 years following employment or engagement to  
 244 provide services or association with an eligible nonprofit  
 245 scholarship-funding organization, each owner or operator must  
 246 meet level 2 screening standards as described in s. 435.04, at  
 247 which time the nonprofit scholarship-funding organization shall  
 248 request the Department of Law Enforcement to forward the  
 249 fingerprints to the Federal Bureau of Investigation for level 2  
 250 screening. If the fingerprints of an owner or operator are not  
 251 retained by the Department of Law Enforcement under subparagraph  
 252 3., the owner or operator must electronically file a complete  
 253 set of fingerprints with the Department of Law Enforcement. Upon  
 254 submission of fingerprints for this purpose, the eligible  
 255 nonprofit scholarship-funding organization shall request that  
 256 the Department of Law Enforcement forward the fingerprints to  
 257 the Federal Bureau of Investigation for level 2 screening, and  
 258 the fingerprints shall be retained by the Department of Law  
 259 Enforcement under subparagraph 3.

260         3. All fingerprints submitted to the Department of Law

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261 Enforcement as required by this paragraph must be retained by  
 262 the Department of Law Enforcement in a manner approved by rule  
 263 and entered in the statewide automated biometric identification  
 264 system authorized by s. 943.05(2)(b). The fingerprints must  
 265 thereafter be available for all purposes and uses authorized for  
 266 arrest fingerprints entered in the statewide automated biometric  
 267 identification system pursuant to s. 943.051.

268 4. The Department of Law Enforcement shall search all  
 269 arrest fingerprints received under s. 943.051 against the  
 270 fingerprints retained in the statewide automated biometric  
 271 identification system under subparagraph 3. Any arrest record  
 272 that is identified with an owner's or operator's fingerprints  
 273 must be reported to the Department of Education. The Department  
 274 of Education shall participate in this search process by paying  
 275 an annual fee to the Department of Law Enforcement and by  
 276 informing the Department of Law Enforcement of any change in the  
 277 employment, engagement, or association status of the owners or  
 278 operators whose fingerprints are retained under subparagraph 3.  
 279 The Department of Law Enforcement shall adopt a rule setting the  
 280 amount of the annual fee to be imposed upon the Department of  
 281 Education for performing these services and establishing the  
 282 procedures for the retention of owner and operator fingerprints  
 283 and the dissemination of search results. The fee may be borne by  
 284 the owner or operator of the nonprofit scholarship-funding  
 285 organization.

286 5. A nonprofit scholarship-funding organization whose

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287 owner or operator fails the level 2 background screening is  
 288 ~~shall not be~~ ineligible to provide scholarships under this  
 289 section.

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

295 7. In addition to the offenses listed in s. 435.04, all  
 296 persons required to undergo background screening pursuant to  
 297 this part or authorizing statutes must not have an arrest  
 298 awaiting final disposition for, must not have been found guilty  
 299 of, regardless of adjudication, or entered a plea of nolo  
 300 contendere or guilty to, and must not have been adjudicated  
 301 delinquent and the record not have been sealed or expunged for  
 302 any of the following offenses or any similar offense of another  
 303 jurisdiction:

- 304 a. Any authorizing statutes, if the offense was a felony.
- 305 b. This chapter, if the offense was a felony.
- 306 c. Section 409.920, relating to Medicaid provider fraud.
- 307 d. Section 409.9201, relating to Medicaid fraud.
- 308 e. Section 741.28, relating to domestic violence.
- 309 f. Section 817.034, relating to fraudulent acts through  
 310 mail, wire, radio, electromagnetic, photoelectronic, or  
 311 photooptical systems.
- 312 g. Section 817.234, relating to false and fraudulent

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313 insurance claims.  
 314 h. Section 817.505, relating to patient brokering.  
 315 i. Section 817.568, relating to criminal use of personal  
 316 identification information.  
 317 j. Section 817.60, relating to obtaining a credit card  
 318 through fraudulent means.  
 319 k. Section 817.61, relating to fraudulent use of credit  
 320 cards, if the offense was a felony.  
 321 l. Section 831.01, relating to forgery.  
 322 m. Section 831.02, relating to uttering forged instruments.  
 323 n. Section 831.07, relating to forging bank bills, checks,  
 324 drafts, or promissory notes.  
 325 o. Section 831.09, relating to uttering forged bank bills,  
 326 checks, drafts, or promissory notes.  
 327 p. Section 831.30, relating to fraud in obtaining medicinal  
 328 drugs.  
 329 q. Section 831.31, relating to the sale, manufacture,  
 330 delivery, or possession with the intent to sell, manufacture, or  
 331 deliver any counterfeit controlled substance, if the offense was  
 332 a felony.  
 333 (c) Must not have an owner or operator who owns or  
 334 operates an eligible private school that is participating in the  
 335 scholarship program or the scholarship program established in s.  
 336 1002.396.  
 337 (e) Must give first priority to eligible students who  
 338 received a scholarship from an eligible nonprofit scholarship-

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339 funding organization or from the State of Florida during the  
 340 previous school year. Beginning in 2016-2017, an eligible  
 341 nonprofit scholarship-funding organization must give priority to  
 342 new applicants whose household incomes do not exceed 185 percent  
 343 of the federal poverty level or who are in foster care or out-  
 344 of-home care.

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

347 (j) ~~(i)~~1. May use up to 3 percent of eligible  
 348 contributions received during the state fiscal year in which  
 349 such contributions are collected for administrative expenses if  
 350 the organization has operated under this section for at least 3  
 351 state fiscal years and did not have any negative financial  
 352 findings in its most recent audit under paragraph (1). Such  
 353 administrative expenses must be reasonable and necessary for the  
 354 organization's management and distribution of eligible  
 355 contributions under this section. Administrative expenses may  
 356 also include professional development to support participating  
 357 schools. No more than one-third of the funds authorized for  
 358 administrative expenses under this subparagraph may be used for  
 359 expenses related to the recruitment of contributions from  
 360 taxpayers.

361 2. Must expend for annual or partial-year scholarships an  
 362 amount equal to or greater than 75 percent of the net eligible  
 363 contributions remaining after administrative expenses during the  
 364 state fiscal year in which such contributions are collected. No

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365 more than 25 percent of such net eligible contributions may be  
 366 carried forward to the following state fiscal year. Any amounts  
 367 carried forward shall be expended for annual or partial-year  
 368 scholarships in the following state fiscal year. Net eligible  
 369 contributions remaining on June 30 of each year that are in  
 370 excess of the 25 percent that may be carried forward shall be  
 371 returned to the State Treasury for deposit in the General  
 372 Revenue Fund.

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

377 (p) Each scholarship funding organization must maintain  
 378 the surety bond or letter of credit required by subparagraph  
 379 (16) (a)3. and adjust the bond or letter of credit annually to  
 380 equal the amount of undisbursed donations as required by the  
 381 Department of Education pursuant to paragraph (9) (q).

382  
 383 Any and all information and documentation provided to the  
 384 Department of Education and the Auditor General relating to the  
 385 identity of a taxpayer that provides an eligible contribution  
 386 under this section shall remain confidential at all times in  
 387 accordance with s. 213.053.

388 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM  
 389 PARTICIPATION.—

390 (g) The parent must authorize the scholarship funding

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391 organization to access information needed for income eligibility  
 392 determination and verification held by other federal or state  
 393 agencies, including the Department of Revenue, Department of  
 394 Children and Family Services, Department of Education,  
 395 Department of Economic Opportunity and the Agency for Health  
 396 Care Administration.

397 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An  
 398 eligible private school may be sectarian or nonsectarian and  
 399 must:

400 (e) Annually contract with an independent certified public  
 401 accountant to perform the agreed-upon procedures developed under  
 402 paragraph (6) (o) ~~(n)~~ and produce a report of the results if the  
 403 private school receives more than \$250,000 in funds from  
 404 scholarships awarded under this section in the 2010-2011 state  
 405 fiscal year or a state fiscal year thereafter. A private school  
 406 subject to this paragraph must submit the report by September  
 407 15, 2011, and annually thereafter to the scholarship-funding  
 408 organization that awarded the majority of the school's  
 409 scholarship funds. The agreed-upon procedures must be conducted  
 410 in accordance with attestation standards established by the  
 411 American Institute of Certified Public Accountants.

412  
 413 The inability of a private school to meet the requirements of  
 414 this subsection shall constitute a basis for the ineligibility  
 415 of the private school to participate in the scholarship program  
 416 as determined by the Department of Education.



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417 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of  
418 Education shall:

419 (d) Annually verify the eligibility of expenditures as  
420 provided in paragraph (6) (d) using the audit required by  
421 paragraph (6) ~~(i)~~ (m).

422 (o) Provide a process to match the direct certification  
423 list with the scholarship application data submitted by any  
424 nonprofit scholarship-funding organization eligible to receive  
425 the 3-percent administrative allowance under paragraph (6) (j)  
426 ~~(i)~~.

427 (q) On an annual basis, require each scholarship funding  
428 organization to adjust surety bond or letter of credit amounts  
429 to equal the amount of undisbursed donations held by that  
430 organization based on the annual audit provided pursuant to  
431 paragraph (6) (m).

432 (12) SCHOLARSHIP AMOUNT AND PAYMENT.—

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

439 1. a. For a scholarship awarded to a student enrolled in  
440 an eligible private school:

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

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

446 ~~(III) For the 2011-2012 state fiscal year and thereafter,~~  
 447 the limit shall be determined by multiplying the unweighted FTE  
 448 funding amount in that state fiscal year by the percentage used  
 449 to determine the limit in the prior state fiscal year. However,  
 450 in each state fiscal year that the tax credit cap amount  
 451 increases pursuant to s. 1002.397 ~~subparagraph (5)(a)2.~~, the  
 452 prior year percentage shall be increased by 4 percentage points  
 453 and the increased percentage shall be used to determine the  
 454 limit for that state fiscal year. If the percentage so  
 455 calculated reaches 84 ~~80~~ percent in a state fiscal year, no  
 456 further increase in the percentage is allowed and the limit  
 457 shall be 84 ~~80~~ percent of the unweighted FTE funding amount for  
 458 that state fiscal year and thereafter.

459 b. For a scholarship awarded to a student enrolled in a  
 460 Florida public school that is located outside the district in  
 461 which the student resides or in a lab school as defined in s.  
 462 1002.32, the limit shall be \$500.

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

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

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

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

475           a. Twelve percent if the student's household income level  
 476 is greater than or equal to 200 percent, but less than 215  
 477 percent, of the federal poverty level.

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

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

484           d. Fifty percent if the student's household income level is  
 485 greater than or equal to 245 percent, but less than or equal to  
 486 260 percent, of the federal poverty level.

487           (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.— In  
 488 order to participate in the scholarship programs created by this  
 489 section or s. 1002.396, a nonprofit scholarship-funding  
 490 organization must submit an application for initial approval or  
 491 renewal to the Office of Independent Education and Parental  
 492 Choice no later than September 1 each year, prior to the year  
 493 the scholarship funding organization intends to offer the  
 494 scholarships.

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495 (a) An application for initial approval must, at a minimum,  
 496 include:

497 1. A copy of the organization's incorporation documents and  
 498 registration with the Florida Division of Corporations, Office  
 499 of the Secretary of State.

500 2. A copy of the organization's IRS Determination Letter as  
 501 a 501(c)3.

502 2. A description of the financial plan that demonstrates  
 503 sufficient funds to operate through the school year.

504 3. A copy of a surety bond or letter of credit in an amount  
 505 equal to 25 percent of the scholarship funds anticipated for  
 506 each school year.

507 4. A description of the geographic region the scholarship  
 508 funding organization intends to serve and an analysis of the  
 509 demand and unmet need for eligible students in that area.

510 5. The scholarship funding organization's organizational  
 511 chart.

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

514 8. A description of the application process, including  
 515 deadlines and any associated fees.

516 9. A description of the deadlines for attendance  
 517 verification and scholarship payments.

518 10. A copy of the scholarship funding organization's  
 519 policies on conflict of interest and whistleblowers.

520 (b) In addition to the information required by paragraph

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521 (a), an application for renewal must, at a minimum, include:  
 522 1. The organization's completed IRS Form 990 shall be  
 523 submitted no later than November 30 of the year prior to the  
 524 year the scholarship-funding organization intends to offer the  
 525 scholarships, notwithstanding the September 1 application  
 526 deadline.  
 527 2. A copy of the statutorily required audit to the  
 528 Department of Education and Auditor General.  
 529 3. An annual report that includes:  
 530 a. the number of students who completed applications, by  
 531 county and by grade;  
 532 b. the number of students who were approved for  
 533 scholarships, by county and by grade;  
 534 c. the number of students who received funding for  
 535 scholarships within each funding category as defined in sub-sub-  
 536 subparagraph (12) (a)1.a.III, by county and by grade;  
 537 d. the amount of funds received, the amount of funds  
 538 distributed in scholarships, and an accounting of remaining  
 539 funds and the obligation of those funds; and  
 540 e. a detailed accounting of how the scholarship funding  
 541 organization spent the administrative funds allowable under  
 542 paragraph (6) (j).  
 543 (c) In consultation with the Department of Revenue and the  
 544 Chief Financial Officer, the Office of Independent Education and  
 545 Parental Choice shall review the application. The Department of  
 546 Education shall notify the scholarship funding organization, in

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547 writing, of any deficiencies within 30 days after receipt of the  
 548 application, and allow the scholarship funding organization 30  
 549 days to correct any deficiencies.

550 (d) Within 30 days after receipt of the finalized  
 551 application by the Office of Independent Education and Parental  
 552 Choice, the Commissioner of Education shall recommend approval  
 553 or disapproval of the application to the state board. The state  
 554 board shall consider the recommendation and the application at  
 555 the next scheduled meeting, adhering to appropriate meeting  
 556 notice requirements. If the state board disapproves the  
 557 scholarship funding organization's application, it shall provide  
 558 the organization with a written explanation for that  
 559 determination. The state board's action is not subject to the  
 560 provisions of the Administrative Procedure Act.

561 (e) If the State Board of Education disapproves the renewal  
 562 of a scholarship funding organization, the scholarship funding  
 563 organization must notify the affected eligible students and  
 564 parents of the decision within 15 calendar days of the  
 565 disapproval. An eligible student affected by a disapproval of a  
 566 scholarship funding organization's participation remains  
 567 eligible under this section until the end of the school year in  
 568 which the scholarship funding organization was disapproved. The  
 569 student must apply and be accepted by another eligible  
 570 scholarship funding organization for the upcoming school year.  
 571 Such student shall be given priority in accordance with  
 572 paragraph (7) (f).

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573 (f) All funds remaining held by a scholarship funding  
 574 organization that is disapproved for participation shall revert  
 575 to the Department of Revenue for redistribution to other  
 576 eligible scholarship funding organizations.

577 (g) A scholarship funding organization is considered a  
 578 renewing organization if it maintains continuous approval and  
 579 participation in the program. An organization that chooses not  
 580 to participate for one year or is disapproved to participate for  
 581 one year must submit an application for initial approval in  
 582 order to participate in the program again.

583 (h) The state board shall adopt rules providing guidelines  
 584 for receiving, reviewing, and approving applications for new and  
 585 renewing scholarship funding organizations. The rules shall  
 586 include a process for compiling input and recommendations from  
 587 the Chief Financial Officer, the Department of Revenue and the  
 588 Department of Education. The rules shall also require that the  
 589 scholarship funding organization make a brief presentation to  
 590 assist the state board in its decision.

591 Section 4. Section 1002.396, Florida Statutes, is created  
 592 to read:

593 1002.396 Florida Sales Tax Credit Scholarship Program.—

594 (1) FINDINGS AND PURPOSE.—

595 (a) The Legislature finds that:

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

598 2. Expanding educational opportunities and improving the

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599 quality of educational services within the state are valid  
 600 public purposes that the Legislature may promote using its  
 601 sovereign power to determine subjects of taxation and exemptions  
 602 from taxation.

603 3. Ensuring that all parents regardless of means may  
 604 exercise and enjoy their basic right to educate their children  
 605 as they see fit is a valid public purpose that the Legislature  
 606 may promote using its sovereign power to determine subjects of  
 607 taxation and exemptions from taxation.

608 4. Expanding educational opportunities and the healthy  
 609 competition they promote are critical to improving the quality  
 610 of education in the state and to ensuring that all children  
 611 receive the high-quality education to which they are entitled.

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

613 1. Enable taxpayers to make private, voluntary  
 614 contributions to nonprofit scholarship-funding organizations in  
 615 order to promote the general welfare.

616 2. Provide taxpayers who wish to help parents with limited  
 617 resources exercise their basic right to educate their children  
 618 as they see fit with a means to do so.

619 3. Promote the general welfare by expanding educational  
 620 opportunities for children of families that have limited  
 621 financial resources.

622 4. Enable children in this state to achieve a greater level  
 623 of excellence in their education.

624 5. Improve the quality of education in this state, both by



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625 expanding educational opportunities for children and by creating  
 626 incentives for schools to achieve excellence.

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

628 (a) "Annual tax credit amount" means, for any state fiscal  
 629 year, the sum of the amount of tax credits approved under  
 630 paragraph (5) (b).

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

632 (c) "Direct certification list" means the certified list  
 633 of children who qualify for the food assistance program, the  
 634 Temporary Assistance to Needy Families Program, or the Food  
 635 Distribution Program on Indian Reservations provided to the  
 636 Department of Education by the Department of Children and Family  
 637 Services.

638 (d) "Eligible contribution" means a monetary contribution  
 639 from a taxpayer, subject to the restrictions provided in this  
 640 section, to an eligible nonprofit scholarship-funding  
 641 organization. The taxpayer making the contribution may not  
 642 designate a specific child as the beneficiary of the  
 643 contribution.

644 (e) "Eligible nonprofit scholarship-funding organization"  
 645 means a charitable organization that:

646 1. Is exempt from federal income tax pursuant to s.  
 647 501(c) (3) of the Internal Revenue Code;

648 2. Is a Florida entity formed under chapter 607, chapter  
 649 608, or chapter 617 and whose principal office is located in the  
 650 state; and

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651 3. Complies with the provisions of subsections (6) and  
 652 (16).

653 (f) "Eligible private school" means a private school, as  
 654 defined in s. 1002.01(2), located in Florida which offers an  
 655 education to students in any grades K-12 and that meets the  
 656 requirements in subsection (8).

657 (g) "Owner or operator" includes:

658 1. An owner, president, officer, or director of an  
 659 eligible nonprofit scholarship-funding organization or a person  
 660 with equivalent decisionmaking authority over an eligible  
 661 nonprofit scholarship-funding organization.

662 2. An owner, operator, superintendent, or principal of an  
 663 eligible private school or a person with equivalent  
 664 decisionmaking authority over an eligible private school.

665 (h) "Tax credit cap amount" means the maximum annual tax  
 666 credit amount that the department may approve in a state fiscal  
 667 year.

668 (i) "Unweighted FTE funding amount" means the statewide  
 669 average total funds per unweighted full-time equivalent funding  
 670 amount that is incorporated by reference in the General  
 671 Appropriations Act, or any subsequent special appropriations  
 672 act, for the applicable state fiscal year.

673 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—

674 (a) The Florida Sales Tax Credit Scholarship Program is  
 675 established.

676 (b) Contingent upon available funds, a student is eligible

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677 for a tax credit scholarship under this section if the student  
 678 meets one or more of the criteria listed in s. 1002.395(3)(b).

679 (4) SCHOLARSHIP PROHIBITIONS.—A student is not eligible  
 680 for a scholarship under this section if he or she satisfies any  
 681 of the criteria listed in s. 1002.395(4).

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

683 (a) The tax credit cap is as provided in s. 1002.397.

684 (b) A taxpayer may submit an application to the department  
 685 for a tax credit or credits under s. 212.0831(2). The taxpayer  
 686 shall specify in the application the applicable state fiscal  
 687 year for such credits. The department shall approve such tax  
 688 credits on a first-come, first-served basis. Within 10 days  
 689 after approving an application, the department must provide a  
 690 copy of its approval letter to the eligible nonprofit  
 691 scholarship-funding organization specified by the taxpayer in  
 692 the application.

693 (c) If a tax credit approved under paragraph (b) is not  
 694 fully used within the specified state fiscal year, the unused  
 695 amount may be carried forward for a period not to exceed 5  
 696 years. However, any taxpayer that seeks to carry forward an  
 697 unused amount of tax credit must submit an application to the  
 698 department for approval of the carryforward tax credit in the  
 699 year that the taxpayer intends to use the carryforward.

700 (d) A taxpayer may not convey, assign, or transfer an  
 701 approved tax credit or a carryforward tax credit to another  
 702 entity unless all of the assets of the taxpayer are conveyed,

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703 assigned, or transferred in the same transaction. However, a tax  
 704 credit granted under this section may be conveyed, transferred,  
 705 or assigned between the members of an affiliated group of  
 706 corporations. A taxpayer must notify the department of the  
 707 intent to convey, transfer, or assign a tax credit to another  
 708 member within an affiliated group of corporations. The amount  
 709 conveyed, transferred, or assigned is available to another  
 710 member of the affiliated group of corporations upon approval by  
 711 the department.

712 (e) Within any state fiscal year, a taxpayer may rescind  
 713 all or part of a tax credit approved under paragraph (b). The  
 714 amount rescinded shall become available for that state fiscal  
 715 year to another eligible taxpayer as approved by the department  
 716 if the taxpayer receives notice from the department that the  
 717 rescindment has been accepted by the department. Any amount  
 718 rescinded under this paragraph shall become available to an  
 719 eligible taxpayer on a first-come, first-served basis based on  
 720 tax credit applications received after the date the rescindment  
 721 is accepted by the department.

722 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING  
 723 ORGANIZATIONS.—The provisions of s. 1002.395(6) apply to each  
 724 eligible nonprofit scholarship-funding organization  
 725 participating in the scholarship program established by this  
 726 section.

727 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM  
 728 PARTICIPATION.— Each parent and each student has the same

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729 obligations and responsibilities as imposed by s. 1002.395(7).

730 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An  
 731 eligible private school may be sectarian or nonsectarian and  
 732 must comply with all of the requirements imposed by s.  
 733 1002.395(8).

734 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of  
 735 Education shall:

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

739 (b) Annually verify the eligibility of nonprofit  
 740 scholarship-funding organizations that meet the requirements of  
 741 paragraph (2) (e).

742 (c) Annually verify the eligibility of private schools  
 743 that meet the requirements of s. 1002.395(8).

744 (d) Annually verify the eligibility of expenditures as  
 745 provided in s. 1002.395 (6) (d) using an audit as required by s.  
 746 1002.395(6) (m).

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

750 (f) Establish a process by which individuals may notify  
 751 the Department of Education of any violation by a parent,  
 752 private school, or school district of state laws relating to  
 753 program participation. The Department of Education shall conduct  
 754 an inquiry of any written complaint of a violation of this

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755 section, or make a referral to the appropriate agency for an  
 756 investigation, if the complaint is signed by the complainant and  
 757 is legally sufficient. A complaint is legally sufficient if it  
 758 contains ultimate facts that show that a violation of this  
 759 section or any rule adopted by the State Board of Education has  
 760 occurred. In order to determine legal sufficiency, the  
 761 Department of Education may require supporting information or  
 762 documentation from the complainant. A department inquiry is not  
 763 subject to the requirements of chapter 120.

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

767 (h) Cross-check the list of participating scholarship  
 768 students with the public school enrollment lists to avoid  
 769 duplication.

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

774 (j) Select an independent research organization, which may  
 775 be a public or private entity or university, to which  
 776 participating private schools must report the scores of  
 777 participating students on the nationally norm-referenced tests  
 778 or the statewide assessments administered by the private school  
 779 in grades 3 through 10.

780 1. The independent research organization must annually

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781 report to the Department of Education on the year-to-year  
 782 learning gains of participating students:  
 783 a. On a statewide basis. The report shall also include, to  
 784 the extent possible, a comparison of these learning gains to the  
 785 statewide learning gains of public school students with  
 786 socioeconomic backgrounds similar to those of students  
 787 participating in the scholarship program. To minimize costs and  
 788 reduce time required for the independent research organization's  
 789 analysis and evaluation, the Department of Education shall  
 790 conduct analyses of matched students from public school  
 791 assessment data and calculate control group learning gains using  
 792 an agreed-upon methodology outlined in the contract with the  
 793 independent research organization; and  
 794 b. According to each participating private school in which  
 795 there are at least 30 participating students who have scores for  
 796 tests administered during or after the 2009-2010 school year for  
 797 2 consecutive years at that private school.  
 798 2. The sharing and reporting of student learning gain data  
 799 under this paragraph must be in accordance with requirements of  
 800 20 U.S.C. s. 1232g, the Family Educational Rights and Privacy  
 801 Act, and shall be for the sole purpose of creating the annual  
 802 report required by subparagraph 1. All parties must preserve the  
 803 confidentiality of such information as required by law. The  
 804 annual report must not disaggregate data to a level that will  
 805 identify individual participating schools, except as required  
 806 under sub-subparagraph 1.b., or disclose the academic level of

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807 individual students.

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

810 (k) Notify an eligible nonprofit scholarship-funding  
 811 organization of any of the organization's identified students  
 812 who are receiving educational scholarships pursuant to chapter  
 813 1002.

814 (l) Notify an eligible nonprofit scholarship-funding  
 815 organization of any of the organization's identified students  
 816 who are receiving tax credit scholarships from other eligible  
 817 nonprofit scholarship-funding organizations.

818 (m) Require quarterly reports by an eligible nonprofit  
 819 scholarship-funding organization regarding the number of  
 820 students participating in the scholarship program, the private  
 821 schools at which the students are enrolled, and other  
 822 information deemed necessary by the Department of Education.

823 (n)1. Conduct site visits to private schools participating  
 824 in the Florida Sales Tax Credit Scholarship Program. The purpose  
 825 of the site visits is solely to verify the information reported  
 826 by the schools concerning the enrollment and attendance of  
 827 students, the credentials of teachers, background screening of  
 828 teachers, and teachers' fingerprinting results. The Department  
 829 of Education may not make more than seven site visits each year;  
 830 however, the department may make additional site visits at any  
 831 time to any school that has received a notice of noncompliance  
 832 or a notice of proposed action within the previous 2 years.



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833 2. Annually, by December 15, report to the Governor, the  
 834 President of the Senate, and the Speaker of the House of  
 835 Representatives the Department of Education's actions with  
 836 respect to implementing accountability in the scholarship  
 837 program under this section and s. 1002.421, any substantiated  
 838 allegations or violations of law or rule by an eligible private  
 839 school under this program concerning the enrollment and  
 840 attendance of students, the credentials of teachers, background  
 841 screening of teachers, and teachers' fingerprinting results and  
 842 the corrective action taken by the Department of Education.

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

847 (p) Upon the request of a participating private school,  
 848 provide at no cost to the school the statewide assessments  
 849 administered under s. 1008.22 and any related materials for  
 850 administering the assessments. Students at a private school may  
 851 be assessed using the statewide assessments if the addition of  
 852 those students and the school does not cause the state to exceed  
 853 its contractual caps for the number of students tested and the  
 854 number of testing sites. The state shall provide the same  
 855 materials and support to a private school that it provides to a  
 856 public school. A private school that chooses to administer  
 857 statewide assessments under s. 1008.22 shall follow the  
 858 requirements set forth in ss. 1008.22 and 1008.24, rules adopted

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859 by the State Board of Education to implement those sections, and  
 860 district-level testing policies established by the district  
 861 school board.

862 (q) On an annual basis, require each scholarship funding  
 863 organization to adjust surety bond or letter of credit amounts  
 864 to equal the amount of undisbursed donations held by that  
 865 organization based on the annual audit provided pursuant to s.  
 866 1002.395(6) (m) .

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

868 (a) Upon the request of any eligible nonprofit  
 869 scholarship-funding organization, a school district shall inform  
 870 all households within the district receiving free or reduced-  
 871 priced meals under the National School Lunch Act of their  
 872 eligibility to apply for a tax credit scholarship. The form of  
 873 such notice shall be provided by the eligible nonprofit  
 874 scholarship-funding organization, and the district shall include  
 875 the provided form, if requested by the organization, in any  
 876 normal correspondence with eligible households. If an eligible  
 877 nonprofit scholarship-funding organization requests a special  
 878 communication to be issued to households within the district  
 879 receiving free or reduced-price meals under the National School  
 880 Lunch Act, the organization shall reimburse the district for the  
 881 cost of postage. Such notice is limited to once a year.

882 (b) Upon the request of the Department of Education, a  
 883 school district shall coordinate with the department to provide  
 884 to a participating private school the statewide assessments

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885 administered under s. 1008.22 and any related materials for  
 886 administering the assessments. A school district is responsible  
 887 for implementing test administrations at a participating private  
 888 school, including the:

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

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

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

893 4. Provision of the required format for a private school  
 894 to submit information to the district for test administration  
 895 and enrollment purposes; and

896 5. Provision of any required assistance, monitoring, or  
 897 investigation at a private school.

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

899 The Commissioner of Education shall have all the powers and is  
 900 subject to the same limitations as provided by s. 1002.395(11)  
 901 to deny, suspend, or revoke participation in the scholarship  
 902 program established by this section.

903 (12) SCHOLARSHIP AMOUNT AND PAYMENT.-

904 (a) The amount of a scholarship provided to any student  
 905 for any single school year by an eligible nonprofit scholarship-  
 906 funding organization from eligible contributions shall be for  
 907 total costs authorized under s. 1002.395(6)(d), not to exceed  
 908 annual limits, which shall be determined pursuant to the  
 909 provisions of s. 1002.395(12)(a).

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

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911 scholarship-funding organization shall be by individual warrant  
 912 made payable to the student's parent. If the parent chooses that  
 913 his or her child attend an eligible private school, the warrant  
 914 must be delivered by the eligible nonprofit scholarship-funding  
 915 organization to the private school of the parent's choice, and  
 916 the parent shall restrictively endorse the warrant to the  
 917 private school. An eligible nonprofit scholarship-funding  
 918 organization shall ensure that the parent to whom the warrant is  
 919 made restrictively endorsed the warrant to the private school  
 920 for deposit into the account of the private school.

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

925 (d) Payment of the scholarship shall be made by the  
 926 eligible nonprofit scholarship-funding organization no less  
 927 frequently than on a quarterly basis.

928 (13) ADMINISTRATION; RULES.—

929 (a) The department and the Department of Education shall  
 930 develop a cooperative agreement to assist in the administration  
 931 of this section.

932 (b) The department shall adopt rules necessary to  
 933 administer this section, including rules establishing  
 934 application forms, procedures governing the approval of tax  
 935 credits and procedures to be followed by taxpayers when claiming  
 936 approved tax credits on their returns.

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937 (c) The State Board of Education shall adopt rules to  
 938 administer the responsibilities of the Department of Education  
 939 and the Commissioner of Education under this section.

940 (14) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.—All eligible  
 941 contributions received by an eligible nonprofit scholarship-  
 942 funding organization shall be deposited in a manner consistent  
 943 with s. 17.57(2).

944 (15) PRESERVATION OF CREDIT.—If any provision or portion  
 945 of this section or s. 212.1831 or the application thereof to any  
 946 person or circumstance is held unconstitutional by any court or  
 947 is otherwise declared invalid, the unconstitutionality or  
 948 invalidity shall not affect any credit earned under s. 212.1831  
 949 by any taxpayer with respect to any contribution paid to an  
 950 eligible nonprofit scholarship-funding organization before the  
 951 date of a determination of unconstitutionality or invalidity.  
 952 Such credit shall be allowed at such time and in such a manner  
 953 as if a determination of unconstitutionality or invalidity had  
 954 not been made, provided that nothing in this subsection by  
 955 itself or in combination with any other provision of law shall  
 956 result in the allowance of any credit to any taxpayer in excess  
 957 of one dollar of credit for each dollar paid to an eligible  
 958 nonprofit scholarship-funding organization.

959 (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.—In order  
 960 to participate in the scholarship program created by this  
 961 section, a nonprofit scholarship-funding organization must  
 962 comply with all of the obligations and provisions of s.

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963 1002.395(16).

964 Section 5. Section 1002.397, Florida Statutes, is created  
965 to read:

966 1002.397 Scholarship Funding Tax Credit Cap Limits.—The sum  
967 of the tax credit caps under ss. 1002.395 and 1002.396 in a  
968 state fiscal year shall not exceed the following limits. The  
969 Department of Revenue may approve annual tax credit amounts  
970 under either ss. 1002.395 or 1002.396 until the sum of such  
971 approvals under both sections combined reaches the following  
972 limits:

973 (1) The limit is \$390 million beginning in the 2014-2015  
974 state fiscal year.

975 (2) In the state fiscal year immediately subsequent to the  
976 first state fiscal year in which the sum of annual tax credit  
977 amounts under ss. 1002.395 and 1002.396 is equal to or greater  
978 than 90 percent of the limit set forth in subsection (1), the  
979 limit shall be \$475 million.

980 (3) In the state fiscal year immediately subsequent to the  
981 first state fiscal year in which the sum of annual tax credit  
982 amounts under ss. 1002.395 and 1002.396 is equal to or greater  
983 than 90 percent of the limit set forth in subsection (2), the  
984 limit shall be \$590 million.

985 (4) In the state fiscal year immediately subsequent to the  
986 first state fiscal year in which the sum of annual tax credit  
987 amounts under ss. 1002.395 and 1002.396 is equal to or greater  
988 than 90 percent of the limit set forth in subsection (3), the

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989 limit shall be \$730 million.

990 (5) In the state fiscal year immediately subsequent to the  
 991 first state fiscal year in which the sum of annual tax credit  
 992 amounts under ss. 1002.395 and 1002.396 is equal to or greater  
 993 than 90 percent of the limit set forth in subsection (4), the  
 994 limit shall be \$873.6 million.

995 (6) For each state fiscal year following the fiscal year in  
 996 which the limit in subsection (5) has been reached, the limit is  
 997 the same as the limit in the prior state fiscal year. However,  
 998 for any state fiscal year in which the sum of annual tax credit  
 999 amounts under ss. 1002.395 and 1002.396 is equal to or greater  
 1000 than 90 percent of the limit applicable to that state fiscal  
 1001 year, the limit shall increase by 25 percent for the immediately  
 1002 subsequent state fiscal year. The Department of Revenue shall  
 1003 publish information on its website information identifying the  
 1004 limit amount when it is increased pursuant to this section.

1005 Section 6. Subsection (1) of section 1002.421, Florida  
 1006 Statutes, is amended to read:

1007 1002.421 Accountability of private schools participating  
 1008 in state school choice scholarship programs.—

1009 (1) A Florida private school participating in the Florida  
 1010 Tax Credit Scholarship Program established pursuant to s.  
 1011 1002.395, the Florida Sales Tax Credit Scholarship Program  
 1012 established pursuant to s. 1002.396, or an educational  
 1013 scholarship program established pursuant to this chapter must  
 1014 comply with all requirements of this section in addition to

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1015 private school requirements outlined in s. 1002.42, specific  
 1016 requirements identified within respective scholarship program  
 1017 laws, and other provisions of Florida law that apply to private  
 1018 schools.

1019 Section 7. Any scholarship funding organization whose  
 1020 application for participation in the program established by s.  
 1021 1002.395 was approved prior to July 1, 2014, shall, by August 1,  
 1022 2014, provide a copy of a surety bond or letter of credit to the  
 1023 Office of Independent Education and Parental Choice and  
 1024 thereafter adjust the amount of the surety bond or letter of  
 1025 credit as required by the Department of Education in accordance  
 1026 with s. 1002.395(9)(g).

1027 Section 8. The Department of Revenue and Department of  
 1028 Education may, and all conditions are deemed met to, adopt  
 1029 emergency rules pursuant to ss. 120.536(1) and 120.54, Florida  
 1030 Statutes, to administer this act.

1031 Section 9. This act shall take effect July 1, 2014.  
 1032