

COMMITTEE ON APPROPRIATIONS  
SENATE AMENDMENTS TO S.B. 1118  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2        "Section 1. Section 43-1504, Arizona Revised Statutes, is amended to  
3        read:

4        43-1504. Special provisions; corporate donations for  
5        low-income scholarships; rules

6        A. A school tuition organization that receives contributions from a  
7        corporation for the purposes of section 20-224.06 or 43-1183 must use at  
8        least ninety percent of those contributions to provide educational  
9        scholarships or tuition grants only to children whose family income does  
10      not exceed one hundred eighty-five percent of the income limit required to  
11      qualify a child for ~~reduced price~~ REDUCED-PRICE lunches under the national  
12      school lunch and child nutrition acts (42 United States Code sections 1751  
13      through ~~1785~~ 1793) and to whom any of the following applies:

14      1. Attended a governmental primary or secondary school as a  
15      full-time student as defined in section 15-901 or attended a preschool  
16      program that offers services to students with disabilities at a  
17      governmental school for at least ninety days of the prior fiscal year or  
18      one full semester and transferred from a governmental school to a qualified  
19      school.

20      2. Enroll in a qualified school in a kindergarten program or a  
21      preschool program that offers services to students with disabilities.

22      3. ~~IS~~ ARE the dependent of a member of the armed forces of the  
23      United States who is stationed in this state pursuant to military orders.

24      4. ARE HOMESCHOoled BEFORE ENROLLING IN A QUALIFIED SCHOOL.

1           5. MOVED TO THIS STATE FROM OUT OF STATE BEFORE ENROLLING IN A  
2           QUALIFIED SCHOOL.

3           6. PARTICIPATED IN AN ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT AND  
4           DID NOT RENEW THE ACCOUNT OR ACCEPT THE SCHOLARSHIP IN ORDER TO ACCEPT A  
5           SCHOLARSHIP OR TUITION GRANT UNDER THIS SECTION.

6           ~~4.~~ 7. Received an educational scholarship or tuition grant under  
7           paragraph 1, 2, ~~or~~ 3, 4, 5 OR 6 of this subsection or chapter 16, article 1  
8           of this title if the children continue to attend a qualified school in a  
9           subsequent year.

10          B. A child is eligible to receive an educational scholarship or  
11           tuition grant under subsection A of this section if the child meets the  
12           criteria to receive a ~~reduced price~~ REDUCED-PRICE lunch but does not  
13           actually claim that benefit.

14          C. In ~~2006~~ 2021, a school tuition organization shall not issue an  
15           educational scholarship or a tuition grant for the purposes of section  
16           20-224.06 or 43-1183 in an amount that exceeds ~~\$4,200~~ \$5,600 for students  
17           WHO ARE in a kindergarten program, a preschool program that offers services  
18           to students with disabilities or grades one through eight or ~~\$5,500~~ \$7,500  
19           for students WHO ARE in grades nine through twelve. In each year after  
20           ~~2006~~ 2021, the ~~limitation~~ LIMIT amount for a scholarship or a grant under  
21           this subsection shall be increased by ~~\$100~~ \$200.

22          D. A school tuition organization shall require that student  
23           beneficiaries use the educational scholarships or tuition grants on a  
24           full-time basis. If a child leaves the school before completing an entire  
25           school year, the school shall refund a prorated amount of the educational  
26           scholarship or tuition grant to the school tuition organization that issued  
27           the scholarship or grant. The school tuition organization shall allocate  
28           any refunds it receives under this subsection for educational scholarships  
29           or tuition grants.

1               E. Students who receive an educational scholarship or tuition grant  
2 under this section shall be allowed to attend any qualified school of their  
3 parents' choice.

4               F. The department of revenue, with the cooperation of the department  
5 of insurance and financial institutions, shall adopt rules and publish and  
6 prescribe forms and procedures necessary ~~for the administration of~~ TO  
7 **ADMINISTER** this section.

8               Sec. 2. Section 43-1603, Arizona Revised Statutes, is amended to  
9 read:

10              43-1603. Operational requirements for school tuition  
11    organizations; notice; qualified schools

12               A. A certified school tuition organization must be established to  
13 receive contributions from taxpayers for the purposes of income tax credits  
14 under sections 43-1089 and 43-1089.03 and to pay educational scholarships  
15 or tuition grants to allow students to attend any qualified school of their  
16 parents' choice.

17               B. To be eligible for certification and retain certification, the  
18 school tuition organization:

19               1. Must allocate at least ninety percent of its annual revenue from  
20 contributions made for the purposes of sections 43-1089 and 43-1089.03 for  
21 educational scholarships or tuition grants.

22               2. Shall not limit the availability of educational scholarships or  
23 tuition grants to only students of one school.

24               3. May allow donors to recommend student beneficiaries, but shall  
25 not award, designate or reserve scholarships solely on the basis of donor  
26 recommendations.

27               4. Shall not allow donors to designate student beneficiaries as a  
28 condition of any contribution to the organization, or facilitate, encourage  
29 or knowingly ~~permit~~ ALLOW the exchange of beneficiary student designations  
30 in violation of section 43-1089, subsection F, section 43-1089.03,  
31 subsection F and section 43-1089.04, subsection E.

1               5. Shall include on the organization's website, if one exists, the  
2               percentage and total dollar amount of educational scholarships and tuition  
3               grants awarded during the previous fiscal year to:

4               (a) Students whose family income meets the economic eligibility  
5               requirements established under the national school lunch and child  
6               nutrition acts (42 United States Code sections 1751 through 1793) for free  
7               or reduced-price lunches.

8               (b) Students whose family income exceeds the threshold prescribed by  
9               subdivision (a) of this paragraph but does not exceed one hundred  
10               eighty-five percent of the economic eligibility requirements established  
11               under the national school lunch and child nutrition acts (42 United States  
12               Code sections 1751 through 1793) for free or reduced-price lunches.

13              6. Must not award educational scholarships or tuition grants to  
14               students who are simultaneously enrolled in a district school or charter  
15               school and a qualified school.

16              C. A school tuition organization shall include the following notice  
17               in any printed materials soliciting donations, in applications for  
18               scholarships and on its website, if one exists:

19                                  Notice

20                                  A school tuition organization cannot award, restrict or  
21               reserve scholarships solely on the basis of a donor's  
22               recommendation.

23                                  A taxpayer may not claim a tax credit if the taxpayer  
24               agrees to swap donations with another taxpayer to benefit  
25               either taxpayer's own dependent.

26              D. In evaluating applications and awarding, designating or reserving  
27               scholarships, a school tuition organization:

28               1. Shall not award, designate or reserve a scholarship solely on the  
29               recommendation of any person contributing money to the organization, but  
30               may consider the recommendation among other factors.

31               2. Shall consider the financial need of applicants.

1           E. A taxpayer's contribution to a school tuition organization that  
2        exceeds the amount of the credit allowed by section 43-1089 but does not  
3        exceed the amount of the credit allowed by section 43-1089.03 is considered  
4        a contribution pursuant to section 43-1089.03. A school tuition  
5        organization must use at least ninety percent of contributions made  
6        pursuant to section 43-1089.03 for educational scholarships or tuition  
7        grants for students to whom any of the following applies:

8           1. Attended a governmental primary or secondary school as **A**  
9        full-time ~~students~~ STUDENT as defined in section 15-901 or attended a  
10      preschool program that offers services to students with disabilities at a  
11      governmental school for at least ninety days of the prior fiscal year and  
12      transferred from a governmental school to a qualified school.

13           2. Enroll in a qualified school in a kindergarten program or a  
14      preschool program that offers services to students with disabilities.

15           3. Are the dependent of a member of the armed forces of the United  
16      States who is stationed in this state pursuant to military orders.

17           **4. ARE HOMESCHOoled BEFORE ENROLLING IN A QUALIFIED SCHOOL.**

18           **5. MOVED TO THIS STATE FROM OUT OF STATE BEFORE ENROLLING IN A**  
19      **QUALIFIED SCHOOL.**

20           **6. PARTICIPATED IN AN ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT AND**  
21      **DID NOT RENEW THE ACCOUNT OR ACCEPT THE SCHOLARSHIP IN ORDER TO ACCEPT A**  
22      **SCHOLARSHIP OR TUITION GRANT UNDER THIS SECTION.**

23           **7. Received an educational scholarship or tuition grant under**  
24      **paragraph 1, 2, ~~or~~ 3, 4, 5 OR 6 of this subsection or under chapter 15 of**  
25      **this title if the student continues to attend a qualified school in a**  
26      **subsequent year.**

27           F. In awarding educational scholarships or tuition grants from  
28      contributions made pursuant to section 43-1089.03, a school tuition  
29      organization shall give priority to students and siblings of students on a  
30      waiting list for scholarships if the school tuition organization maintains  
31      a waiting list.

Senate Amendments to S.B. 1118

1           G. If an individual educational scholarship or tuition grant exceeds  
2       the school's tuition, the amount in excess shall be returned to the school  
3       tuition organization that made the award or grant. The school tuition  
4       organization may allocate the returned monies as a multiyear award for that  
5       student and report the award pursuant to section 43-1604, subsection A,  
6       paragraph 5, subdivision (b) or may allocate the returned monies for  
7       educational scholarships or tuition grants for other students."

8 Amend title to conform

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02/04/2021  
04:13 PM  
C: ED