

SB263 ENGROSSED



1 SBKD85-2
2 By Senators Chesteen, Sessions, Melson, Williams, Reed,
3 Scofield
4 RFD: Finance and Taxation Education
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A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Accountability Act of 2013; to amend Sections 16-6D-3, 16-6D-4, 16-6D-6, 16-6D-8, and 16-6D-9, Code of Alabama 1975; to change the terms failing school and nonfailing school to priority school and qualifying school, respectively; to revise and add definitions; to expand scholarships for eligible students attending nonfailing or qualifying schools; to revise the poverty threshold for determining the qualifications of an eligible student; to provide for the qualifying expenses of eligible students with unique needs; to revise the method of determining the amount of educational scholarship awards; to increase the maximum cumulative amount of tax credits that may be issued each year; to require a scholarship granting organization to maintain a reserve balance and to verify the qualifications of an eligible student with unique needs; and to authorize the Department of Revenue to bar qualifying schools or educational service providers from participating in the program under certain circumstances.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 16-6D-3, 16-6D-4, 16-6D-6, 16-6D-8,



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29 and 16-6D-9 of the Code of Alabama 1975, are amended to read
30 as follows:

31 "§16-6D-3

32 (a) The Legislature finds and declares all of the
33 following:

34 (1) To further the goals of public education throughout
35 the state, each school system should be able to have maximum
36 possible flexibility to meet the needs of students and the
37 communities within its jurisdiction.

38 (2) There is a critical need for innovative models of
39 public education that are tailored to the unique circumstances
40 and needs of the students in all schools and communities, and
41 especially in schools and communities that are struggling to
42 improve academic outcomes and close the achievement gap.

43 (3) To better serve students and better use available
44 resources, local boards of education, local school systems,
45 and parents need the ability to explore flexible alternatives
46 in an effort to be more efficient and effective in providing
47 operational and programmatic services.

48 (b) Therefore, it is the intent of the Legislature to
49 do all of the following:

50 (1) Allow school systems greater flexibility in meeting
51 the educational needs of a diverse student population.

52 (2) Improve educational performance through greater
53 individual school autonomy and managerial flexibility with
54 regard to programs and budgetary matters.

55 (3) Encourage innovation in education by providing
56 local school systems and school administrators with greater



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57 control over decisions including, but not limited to,
58 budgetary matters, staffing, personnel, scheduling, and
59 educational programming, including curriculum and instruction.

60 (4) Provide financial assistance through an income tax
61 credit to a parent who transfers a student from a ~~ailing~~
62 priority public school to a ~~nonailing~~ qualifying public
63 school or nonpublic school of the parent's choice."

64 "§16-6D-4

65 For the purposes of this chapter, the following terms
66 shall have the following meanings:

67 (1) ACADEMIC YEAR. The 12-month period beginning on
68 July 1 and ending on the following June 30.

69 (2) DEPARTMENT OF REVENUE. The Alabama Department of
70 Revenue.

71 (3) EDUCATIONAL SCHOLARSHIP. A grant made by a
72 scholarship granting organization to an eligible student to
73 cover all or part of the tuition and mandatory fees for one
74 academic year charged by a qualifying school to the eligible
75 student receiving the scholarship; provided, however, that an
76 educational scholarship shall not exceed ~~six thousand dollars~~
77 ~~(\$6,000)~~ ten thousand dollars (\$10,000) per ~~for an elementary~~
78 ~~school student, eight thousand dollars (\$8,000) for a middle~~
79 ~~school student, or ten thousand dollars (\$10,000) for a high~~
80 ~~school~~ student per academic year. The term does not include a
81 lump sum, block grant, or similar payment by a scholarship
82 granting organization to a qualifying school that assigns the
83 responsibility in whole or in part for determining the
84 eligibility of scholarship recipients to the qualifying school



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85 or any person or entity other than the scholarship granting
86 organization.

87 (4) EDUCATIONAL SERVICE PROVIDER. A licensed and
88 accredited program or service providing educational services
89 for students with unique needs and approved by the State
90 Department of Education.

91 ~~(4)~~ (5) ELIGIBLE STUDENT.

92 a. A student who satisfies all of the following:

93 1. Is a member of a family whose total annual income
94 the calendar year before he or she receives an educational
95 scholarship under this program does not exceed ~~185~~ 250 percent
96 of the federal poverty level, ~~the federally recognized~~
97 ~~threshold for receiving free or reduced priced lunch, as~~
98 ~~established from time to time by the U.S. Department of Health~~
99 ~~and Human Services.~~

100 2. Was eligible to attend a public school in the
101 preceding semester or is starting school in Alabama for the
102 first time.

103 3. Resides in Alabama while receiving an educational
104 scholarship.

105 b. A scholarship granting organization shall determine
106 the eligibility of a student under subparagraph 1. of
107 paragraph a. every other academic year in which a student
108 receives an educational scholarship; provided that if the
109 annual income of the family of a student who has received at
110 least one educational scholarship exceeds ~~185~~ 250 percent of
111 the federal poverty level, the existing student shall remain
112 eligible to receive educational scholarships until and unless



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113 the annual income of the family of the student exceeds ~~275~~ 350
114 percent of the federal poverty level; provided, further that
115 no student who has received at least one educational
116 scholarship shall be eligible to receive educational
117 scholarships if the annual income of his or her family exceeds
118 ~~275~~ 350 percent of the federal poverty level.

119 (14) PRIORITY ~~(5) FAILING~~ SCHOOL. A public K-12 school
120 that is either of the following:

121 a. Is designated as a ~~failing~~ priority school by the
122 State Superintendent of Education.

123 b. Does not exclusively serve a special population of
124 students and ~~is listed in the lowest six percent of public~~
125 ~~K-12 schools based on the state standardized assessment in~~
126 ~~reading and math~~ has received a D or an F on the most recent
127 state report card.

128 (6) ELIGIBLE STUDENT WITH UNIQUE NEEDS.

129 a. A student who satisfies all of the following:

130 1. Is the subject of a current Individual Education
131 Plan, as defined in the Individuals with Disabilities Act, or
132 504 accommodation that has been issued according to Section
133 504 of the Rehabilitation Act of 1973. This includes, but is
134 not limited to, a student who has an intellectual disability
135 or is speech or language impaired, deaf or hard of hearing,
136 visually impaired, dual sensory impaired, physically impaired,
137 specific learning disabled, autistic, or hospitalized or home
138 bound because of illness or disability.

139 2. Has attended a primary or secondary school in this
140 state during the immediately preceding school year.



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141 3. Is not currently enrolled in a public school or
142 public school program.

143 4. Is eligible to participate in the program regardless
144 of the academic performance of the resident school district.

145 5. Resides in Alabama while receiving an educational
146 scholarship.

147 ~~(6)~~ (7) FAMILY. A group of two or more people related by
148 birth, marriage, or adoption, including foster children, who
149 reside together.

150 ~~(7)~~ (8) FLEXIBILITY CONTRACT. A school flexibility
151 contract between the local school system and the State Board
152 of Education wherein a local school system may apply for
153 programmatic flexibility or budgetary flexibility, or both,
154 from state laws, regulations, and policies, including
155 regulations and policies ~~promulgated~~ adopted by the State
156 Board of Education and the State Department of Education.

157 ~~(8)~~ (9) INNOVATION PLAN. The request of a local school
158 system for flexibility and plan for annual accountability
159 measures and five-year targets for all participating schools
160 within the school system.

161 ~~(9)~~ (10) LOCAL BOARD OF EDUCATION. A city or county
162 board of education that exercises management and control of a
163 local school system pursuant to state law.

164 ~~(10)~~ (11) LOCAL SCHOOL SYSTEM. A public agency that
165 establishes and supervises one or more public schools within
166 its geographical limits pursuant to state law.

167 ~~(11)~~ (12) NONPUBLIC SCHOOL. Any nonpublic or private
168 school, including parochial schools, not under the



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169 jurisdiction of the State Superintendent of Education and the
170 State Board of Education, providing educational services to
171 children. A nonpublic school provides education to elementary
172 or secondary, or both, students and has notified the
173 Department of Revenue of its intention to participate in the
174 scholarship program and comply with the requirements of the
175 scholarship program. A nonpublic school does not include home
176 schooling.

177 ~~(12)~~ (13) PARENT. The parent or guardian of a student,
178 with authority to act on behalf of the student. For purposes
179 of Section 16-6D-8, the parent or guardian shall claim the
180 student as a dependent on his or her Alabama state income tax
181 return.

182 (15) PRIVATE TUTORING. Tutoring services provided by a
183 tutor certified by the state or accredited by a regional or
184 national accrediting organization.

185 (16) PROGRAM. The Alabama Accountability Act
186 Scholarship Program.

187 (17) QUALIFYING EXPENSES TO EDUCATE AN ELIGIBLE STUDENT
188 WITH UNIQUE NEEDS:

189 a. Tuition and fees at a qualifying school.

190 b. Textbooks required by a qualifying school.

191 c. Payment to a licensed or accredited tutor.

192 d. Payment for the purchase of curriculum or
193 instructional material.

194 e. Tuition and fees for an approved nonpublic online
195 learning program.

196 f. Educational services for an eligible student with



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197 unique needs from a licensed or accredited practitioner or
198 provider.

199 g. Contracted services from a public school district,
200 including individual classes.

201 ~~(13)~~ (18) QUALIFYING SCHOOL.

202 a. Either a public school outside of the resident
203 school district that is not considered ~~failing within the~~
204 ~~meaning of subdivision (5)~~ a priority school or any nonpublic
205 school ~~as defined in subdivision (11)~~ and that satisfies the
206 requirements of this subdivision. A qualifying nonpublic
207 school shall be accredited by one of the six regional
208 accrediting agencies or the National Council for Private
209 School Accreditation, AdvancEd, the American Association of
210 Christian Schools, or one of their partner accrediting
211 agencies. A nonpublic school shall have three years from the
212 later of the date the nonpublic school notified the Department
213 of Revenue of its intent to participate in the scholarship
214 program or June 10, 2015, to obtain the required accreditation
215 and shall thereafter maintain accreditation as required by
216 this subdivision. During the three-year period described in
217 the immediately preceding sentence, a nonpublic school that is
218 not accredited shall satisfy all of the following conditions
219 until the nonpublic school obtains accreditation:

220 1. Has been in existence for at least three years.

221 2. Has daily attendance of at least 85 percent over a
222 two-year period.

223 3. Has a minimum 180-day school year, or its hourly
224 equivalent.



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225 4. Has a day length of at least six and one-half hours.

226 5. Requires all students to take the Stanford
227 Achievement Test, or its equivalent.

228 6. Requires all candidates for graduation to take the
229 American College Test before graduation.

230 7. Requires students in high school in grades nine
231 through 12 to earn a minimum of 24 credits before graduating,
232 including 16 credits in core subjects, and each awarded credit
233 shall consist of a minimum of 140 instructional hours.

234 8. Does not subject ~~special education~~ eligible students
235 with unique needs to the same testing or curricular
236 requirements as regular education students if it is not
237 required in the individual plan for the student.

238 9. Maintains a website that describes the school, the
239 instructional program of the school, and the tuition and
240 mandatory fees charged by the school, updated prior to the
241 beginning of each semester.

242 10. Annually affirms on forms prescribed by the
243 scholarship granting organization and the Department of
244 Revenue its status financially and academically and provide
245 other relative information as required by the scholarship
246 granting organization or as otherwise required in this
247 chapter.

248 b. A nonpublic school that is not accredited and that
249 has not been in existence for at least three years shall
250 nevertheless be considered a qualifying school if, in addition
251 to satisfying the requirements in subparagraphs 2. to 10.,
252 inclusive, of paragraph a., the nonpublic school operates



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253 under the governance of the board of directors or the
254 equivalent thereof of an accredited nonpublic school. For
255 purposes of the immediately preceding sentence, the term
256 governance shall include, but not be limited to, curriculum
257 oversight, personnel and facility management, and financial
258 management. If, at the conclusion of the three-year period in
259 which a nonpublic school is required to obtain accreditation,
260 a nonpublic school is not accredited, the nonpublic school
261 shall not be considered a qualifying school and shall not
262 receive any funds from a scholarship granting organization
263 until the nonpublic school obtains the accreditation required
264 by this subdivision.

265 (19) RESIDENT SCHOOL DISTRICT. The public school
266 district in which the student resides.

267 ~~(14)~~ (20) SCHOLARSHIP GRANTING ORGANIZATION. An
268 organization that provides or is approved to provide
269 educational scholarships to eligible students and eligible
270 students with unique needs attending qualifying schools of
271 their parents' choice."

272 "§16-6D-6

273 (a) The innovation plan of a local school system shall
274 include, at a minimum, all of the following:

275 (1) The school year that the local school system
276 expects the school flexibility contract to begin.

277 (2) The list of state laws, regulations, and policies,
278 including rules, regulations, and policies ~~promulgated~~ adopted
279 by the State Board of Education and the State Department of
280 Education, that the local school system is seeking to waive in



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281 its school flexibility contract.

282 (3) A list of schools included in the innovation plan
283 of the local school system.

284 (b) A local school system is accountable to the state
285 for the performance of all schools in its system, including
286 innovative schools, under state and federal accountability
287 requirements.

288 (c) A local school system may not, pursuant to this
289 chapter, waive requirements imposed by federal law,
290 requirements related to the health and safety of students or
291 employees, requirements imposed by ethics laws, requirements
292 imposed by the Alabama Child Protection Act of 1999, Chapter
293 22A of this title, requirements imposed by open records or
294 open meetings laws, requirements related to financial or
295 academic reporting or transparency, requirements designed to
296 protect the civil rights of students or employees,
297 requirements related to the state retirement system or state
298 health insurance plan, or requirements imposed by Act
299 2012-482. This chapter may not be construed to allow a local
300 school system to compensate an employee at an annual amount
301 that is less than the amount the employee would otherwise be
302 afforded through the State Minimum Salary Schedule included in
303 the annual Education Trust Fund Appropriations Act. No local
304 school system shall involuntarily remove any rights or
305 privileges acquired by any employee under the Students First
306 Act of 2011, Chapter 24C of this title. Except as provided for
307 a ~~failing~~ priority school pursuant to subsection (e), no plan
308 or program submitted by a local board of education may be used



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309 to deny any right or privilege granted to a new employee
310 pursuant to the Students First Act of 2011.

311 (d) Any provision of subsection (c) to the contrary
312 notwithstanding, upon recommendation by the local
313 superintendent and approval of the local board of education, a
314 priority school shall have the same flexibility provided to a
315 public conversion charter school so long as the priority
316 school shows growth in student assessments. If student growth
317 does not occur within five years, flexibility shall be
318 revoked.

319 ~~(d)~~ (e) No provision of this chapter shall be construed
320 or shall be used to authorize the formation of a charter
321 school.

322 ~~(e)~~ (f) Any provision of subsection (c) to the contrary
323 notwithstanding, nothing in this chapter shall be construed to
324 prohibit the approval of a flexibility contract that gives
325 potential, current, or future employees of a ~~failing~~ priority
326 school within the local school system the option to
327 voluntarily waive any rights or privileges already acquired or
328 that could potentially be acquired as a result of attaining
329 tenure or nonprobationary status, provided, however, that any
330 employee provided this option is also provided the option of
331 retaining or potentially obtaining any rights or privileges
332 provided under the Students First Act, Chapter 24C of this
333 title.

334 ~~(f)~~ (g) The State Department of Education shall finalize
335 all school data and the local school system shall seek
336 approval of the local board of education before final



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337 submission to the State Department of Education and the State
338 Board of Education.

339 ~~(g)~~ (h) The final innovation plan, as recommended by the
340 local superintendent of education and approved by the local
341 board of education, shall accompany the formal submission of
342 the local school system to the State Department of Education.

343 ~~(h)~~ (i) Within 60 days of receiving the final
344 submission, the State Superintendent of Education shall decide
345 whether or not the school flexibility contract and the
346 innovation plan should be approved. If the State
347 Superintendent of Education denies a school flexibility
348 contract and innovation plan, he or she shall provide a
349 written explanation for his or her decision to the local board
350 of education. Likewise, a written letter of approval by the
351 State Superintendent of Education shall be provided to the
352 local board of education that submitted the final school
353 flexibility contract and innovation plan.

354 ~~(i)~~ (j) The State Board of Education shall promulgate
355 any necessary rules and regulations required to implement this
356 chapter including, but not limited to, all of the following:

357 (1) The specification of timelines for submission and
358 approval of the innovation plan and school flexibility
359 contract of a local school system.

360 (2) An authorization for the State Department of
361 Education, upon approval by the State Board of Education after
362 periodic review, to revoke a school flexibility contract for
363 noncompliance or nonperformance, or both, by a local school
364 system.



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365 (3) An outline of procedures and necessary steps that a
366 local school system shall follow, upon denial of an original
367 submission, to amend and resubmit an innovation plan and
368 school flexibility contract for approval."

369 "§16-6D-8

370 (a) To provide educational flexibility and state
371 accountability for students in ~~failing~~ priority schools:

372 (1) For tax years beginning on and after January 1,
373 2013, an Alabama income tax credit is made available to the
374 parent of a student enrolled in or assigned to attend a
375 ~~failing~~ priority school to help offset the cost of
376 transferring the student to a ~~nonfailing~~ qualifying public
377 school or nonpublic school of the parent's choice. The income
378 tax credit shall be an amount equal to 80 percent of the
379 average annual state cost of attendance for a public K-12
380 student during the applicable tax year or the actual cost of
381 attending a ~~nonfailing~~ qualifying public school or nonpublic
382 school, whichever is less. The actual cost of attending a
383 ~~nonfailing~~ qualifying public school or nonpublic school shall
384 be calculated by adding together any tuition amounts or
385 mandatory fees charged by the school to the student as a
386 condition of enrolling or of maintaining enrollment in the
387 school. The average annual state cost of attendance for a
388 public K-12 student shall be calculated by dividing the state
389 funds appropriated to the Foundation Program pursuant to
390 Section 16-13-231(b) (2) by the total statewide number of
391 pupils in average daily membership during the first 20
392 scholastic days following Labor Day of the preceding school



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393 year. For each student who was enrolled in and attended a
394 ~~failing~~ priority school the previous semester whose parent
395 receives an income tax credit under this section, an amount
396 equal to 20 percent of the average annual state cost of
397 attendance for a public K-12 student during the applicable tax
398 year shall be allocated, for as long as the parent receives
399 the tax credit, to the ~~failing~~ priority school from which the
400 student transferred if the student transfers to and remains
401 enrolled in a nonpublic school. No such allocation shall be
402 made in the event the student transfers to or enrolls in a
403 ~~nonfailing~~ qualifying public school. The Department of
404 Education shall determine the best method of ensuring that the
405 foregoing allocation provisions are properly implemented. A
406 parent is allowed a credit against income tax for each taxable
407 year under the terms established in this section. If income
408 taxes owed by such a parent are less than the total credit
409 allowed under this subsection, the taxpayer shall be entitled
410 to a refund or rebate, as the case may be, equal to the
411 balance of the unused credit with respect to that taxable
412 year.

413 (2) Any income tax credit due a parent under this
414 section shall be granted or issued to the parent only upon his
415 or her making application therefor, at such time and in such
416 manner as may be prescribed from time to time by the
417 Department of Revenue. The application process shall include,
418 but not be limited to, certification by the parent that the
419 student was enrolled in or was assigned to attend a ~~failing~~
420 priority school, certification by the parent that the student



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421 was subsequently transferred to, and was enrolled and
422 attended, a ~~nonfailing~~ qualifying public school or nonpublic
423 school of the parent's choice, and proof, satisfactory to the
424 Department of Revenue, of the actual cost of attendance for
425 the student at the ~~nonfailing~~ qualifying public school or
426 nonpublic school. For purposes of the tax credit authorized by
427 this section, costs of attendance does not include any such
428 costs incurred for an academic year prior to the 2013-2014
429 academic year. The Department of Revenue shall also prescribe
430 the various methods by which income tax credits are to be
431 issued to taxpayers. Income tax credits authorized by this
432 section shall be paid out of sales tax collections made to the
433 Education Trust Fund, and set aside by the Comptroller in the
434 ~~Failing~~ Priority Schools Income Tax Credit Account created in
435 subsection (c), in the same manner as refunds of income tax
436 otherwise provided by law, and there is hereby appropriated
437 therefrom, for such purpose, so much as may be necessary to
438 annually pay the income tax credits provided by this section.

439 (3) An application for an income tax credit authorized
440 by this section shall be filed with the Department of Revenue
441 within the time prescribed for filing petitions for refund
442 under Section 40-2A-7.

443 (4) The Department of Revenue shall promulgate
444 reasonable rules to effectuate the intent of this subsection.

445 (b) (1) The parent of a public school student may
446 request and receive an income tax credit pursuant to this
447 section to reimburse the parent for costs associated with
448 transferring the student from a ~~failing~~ priority school to a



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449 ~~nonfailing~~ qualifying public school or nonpublic school of the
450 parent's choice, in any of the following circumstances:

451 a. By assigned school attendance area, if the student
452 spent the prior school year in attendance at a ~~failing~~
453 priority school and the attendance of the student occurred
454 during a school year in which the designation was in effect.

455 b. The student was in attendance elsewhere in the
456 Alabama public school system and was assigned to a ~~failing~~
457 priority school for the next school year.

458 c. The student was notified that he or she was assigned
459 to a ~~failing~~ priority school for the next school year.

460 (2) This section does not apply to a student who is
461 enrolled in the Department of Youth Services School District.

462 (3) For the purposes of continuity of educational
463 choice, the tax credit shall be available to parents for those
464 grade levels of the ~~failing~~ priority school from which the
465 student transferred. The parent of a student who transfers
466 from a ~~failing~~ priority school may receive income tax credits
467 for those grade levels enrolled in and attended in the
468 ~~nonfailing~~ qualifying public school or nonpublic school of the
469 parent's choice transferred to that were included in the
470 ~~failing~~ priority school from which the student transferred,
471 whether or not the ~~failing~~ priority school becomes a
472 ~~nonfailing~~ qualifying school during those years. The parent of
473 such a student shall no longer be eligible for the income tax
474 credit after the student completes the highest grade level in
475 which he or she would otherwise have been enrolled at the
476 ~~failing~~ priority school. Notwithstanding the foregoing, as



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477 long as the student remains enrolled in or assigned to attend
478 a ~~failing~~ priority school, the parent may again transfer the
479 student to a ~~nonfailing~~ qualifying public school or nonpublic
480 school of the parent's choice and request and receive an
481 income tax credit as provided in this section.

482 ~~(4)~~ (c) A local school system, for each student enrolled
483 in or assigned to a ~~failing~~ priority school, shall do ~~all~~ both
484 of the following:

485 ~~a.~~ (1) Timely notify the parent of the student of all
486 options available under this section as soon as the school of
487 attendance is designated as a ~~failing~~ priority school.

488 ~~b.~~ (2) Offer the parent of the student an opportunity to
489 enroll the student in another public school within the local
490 school system that is not a ~~failing~~ priority school or a
491 ~~failing~~ priority school to which the student has been
492 assigned.

493 ~~(5)~~ (d) The parent of a student enrolled in or assigned
494 to a school that has been designated as a ~~failing~~ priority
495 school, who decides to transfer the student to a ~~nonfailing~~
496 qualifying public school, shall first attempt to enroll the
497 student in a ~~nonfailing~~ qualifying public school within the
498 same local system in which the student is already enrolled or
499 assigned to attend before attempting to enroll the student in
500 a ~~nonfailing~~ qualifying public school that has available space
501 in any other local school system in the state. A local school
502 system may accept the student on whatever terms and conditions
503 the system establishes and report the student for purposes of
504 the local school system's funding pursuant to the Foundation



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505 Program.

506 ~~(6)~~ (e) For students in the local school system who are
507 participating in the ~~tax credit~~ program, the local school
508 system shall provide locations and times to take all statewide
509 assessments required by law.

510 ~~(7)~~ (f) ~~Students with disabilities~~ Eligible students
511 with unique needs who are eligible to receive services from
512 the local school system under federal or state law, and who
513 participate in the tax credit program, remain eligible to
514 receive services from the local school system as provided by
515 federal or state law. The local school system shall be
516 reimbursed by the scholarship granting organization for all
517 contracted services provided to an eligible student and an
518 eligible student with unique needs.

519 ~~(8)~~ (g) If a parent enrolls a student in a ~~nonfailing~~
520 qualifying public school within the same local school system,
521 and that system provides transportation services for other
522 enrolled students, transportation costs to the ~~nonfailing~~
523 qualifying public school shall be the responsibility of the
524 local school system. Local school systems may negotiate
525 transportation options with a parent to minimize system costs.
526 If a parent enrolls a student in a nonpublic school or in a
527 ~~nonfailing~~ qualifying public school within another local
528 school system, regardless of whether that system provides
529 transportation services for other enrolled students,
530 transportation of the student shall be the responsibility of
531 the parent.

532 ~~(9)~~ (h) The State Department of Education shall



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533 ~~promulgate~~ adopt reasonable rules to effectuate the intent of
534 this subsection. Rules shall include penalties for
535 noncompliance.

536 ~~(e)~~ (i) There is created within the Education Trust Fund
537 a separate account named the ~~Failing~~ Priority Schools Income
538 Tax Credit Account. The Commissioner of Revenue shall certify
539 to the Comptroller the amount of income tax credits due to
540 parents under this section and the Comptroller shall transfer
541 into the ~~Failing~~ Priority Schools Income Tax Credit Account
542 only the amount from sales tax revenues within the Education
543 Trust Fund that is sufficient for the Department of Revenue to
544 use to cover the income tax credits for the applicable tax
545 year. The Commissioner of Revenue shall distribute the funds
546 in the ~~Failing~~ Priority Schools Income Tax Credit Account to
547 parents pursuant to this section.

548 ~~(d)~~ (j) (1) Nothing in this section or chapter shall be
549 construed to force any public school, school system, or school
550 district or any nonpublic school, school system, or school
551 district to enroll any student.

552 (2) A public school, school system, or school district
553 or any nonpublic school, school system, or school district may
554 develop the terms and conditions under which it will allow a
555 student whose parent receives an income tax credit pursuant to
556 this section to be enrolled, but such terms and conditions may
557 not discriminate on the basis of the race, gender, religion,
558 color, disability status, or ethnicity of the student or of
559 the student's parent.

560 (3) Nothing in this section shall be construed to



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561 authorize the violation of or supersede the authority of any
562 court ruling that applies to the public school, school system,
563 or school district, specifically any federal court order
564 related to the desegregation of the local school system's
565 student population."

566 "§16-6D-9

567 (a) (1) An individual taxpayer who files a state income
568 tax return and is not claimed as a dependent of another
569 taxpayer, a taxpayer subject to the corporate income tax
570 levied by Chapter 18 of Title 40, an Alabama S corporation as
571 defined in Section 40-18-160, or a Subchapter K entity as
572 defined in Section 40-18-1 may claim a credit for a
573 contribution made to a scholarship granting organization. If
574 the credit is claimed by an Alabama S corporation or
575 Subchapter K entity, the credit shall pass through to and may
576 be claimed by any taxpayer eligible to claim a credit under
577 this subdivision who is a shareholder, partner, or member
578 thereof, based on the taxpayer's pro rata or distributive
579 share, respectively, of the credit.

580 (2) The tax credit may be claimed by an individual
581 taxpayer or a married couple filing jointly in an amount equal
582 to 100 percent of the total contributions the taxpayer made to
583 a scholarship granting organization for educational
584 scholarships during the taxable year for which the credit is
585 claimed, up to 100 percent of the tax liability of the
586 individual taxpayer, not to exceed one hundred thousand
587 dollars (\$100,000) per individual taxpayer or married couple
588 filing jointly. For purposes of this section, an individual



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589 taxpayer includes an individual who is a shareholder of an
590 Alabama S corporation or a partner or member of a Subchapter K
591 entity that made a contribution to a scholarship granting
592 organization.

593 (3) The tax credit may be claimed by a taxpayer subject
594 to the Alabama corporate income tax in an amount equal to 100
595 percent of the total contributions the taxpayer made to a
596 scholarship granting organization for educational scholarships
597 during the taxable year for which the credit is claimed, up to
598 100 percent of the tax liability of the taxpayer.

599 (4) A taxpayer subject to the Alabama corporate income
600 tax, an individual taxpayer, or a married couple filing
601 jointly may carry forward a tax credit earned under the tax
602 credit scholarship program for up to three taxable years.

603 (5) The cumulative amount of tax credits issued
604 pursuant to subdivision (2) and subdivision (3) shall not
605 exceed ~~thirty million dollars (\$30,000,000)~~ forty million
606 dollars (\$40,000,000) annually, based on the calendar year. If
607 the cumulative amount of tax credits issued exceeds 90 percent
608 of the set cap for three out of four consecutive years, there
609 will be an automatic increase of ten million dollars
610 (\$10,000,000) until the cumulative amount of tax credits
611 issued reaches sixty million dollars (\$60,000,000). A taxpayer
612 making one or more otherwise tax-creditable contributions
613 before the due date, with extensions, of a timely filed 2014
614 tax return may elect to treat all or a portion of such
615 contributions as applying to and creditable against its 2014
616 Alabama income tax liability, if the taxpayer properly



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617 reserves the credit on the website of the Department of
618 Revenue or another method provided by the Department of
619 Revenue. The amount creditable against the taxpayer's 2014
620 income tax liability shall be limited to the lesser of the
621 amount so designated or the remaining balance, if any, of the
622 cumulative amount of the twenty-five million dollars
623 (\$25,000,000) of tax credits available for the 2014 calendar
624 year. No such contribution and election by a taxpayer to
625 reserve tax credits against the remaining balance of the
626 cumulative amount of tax credits available for 2014 shall
627 preclude the taxpayer from making additional contributions in
628 2015 and reserving those amounts against the cumulative amount
629 of tax credits available for 2015. The Department of Revenue
630 shall develop a procedure to ensure that this cap is not
631 exceeded and shall also prescribe the various methods by which
632 these credits are to be issued.

633 (6) No credit may be claimed for a contribution made to
634 a scholarship granting organization if the contribution is
635 restricted or conditioned in any way by the donor including,
636 but not limited to, requiring the scholarship granting
637 organization to direct all or part of the contribution to a
638 particular qualifying school or to grant an educational
639 scholarship to a particular eligible student.

640 (b) (1) ADMINISTRATIVE ACCOUNTABILITY STANDARDS. All
641 scholarship granting organizations shall do all of the
642 following:

643 a. Notify the Department of Revenue of their intent to
644 provide educational scholarships to eligible students.



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645 b. Demonstrate to the Department of Revenue that they
646 have been granted exemption from the federal income tax as an
647 organization described in Section 501(c)(3) of the Internal
648 Revenue Code, as in effect from time to time.

649 c. Distribute periodic educational scholarship payments
650 as checks made out and mailed to or directly deposited with
651 the school where the student is enrolled.

652 d. Provide a Department of Revenue approved receipt to
653 taxpayers for contributions made to the scholarship granting
654 organization.

655 e. Ensure that all determinations with respect to the
656 eligibility of a student to receive an educational scholarship
657 shall be made by the scholarship granting organization. A
658 scholarship granting organization shall not delegate any
659 responsibility for determining the eligibility of a student
660 for an educational scholarship or any other requirements it is
661 subject to under this chapter to any qualifying school or an
662 entity affiliated therewith.

663 f. Verify that a student who is receiving an
664 educational scholarship as an eligible student with unique
665 needs satisfies the qualifications provided in subdivision (6)
666 of Section 16-6D-4, before the first day of every other
667 instructional year for which the student receives the
668 educational scholarship.

669 ~~f.g.~~ Ensure that at least 95 percent of their revenue
670 from donations is expended on educational scholarships, and
671 that all revenue from interest or investments is expended on
672 educational scholarships. A scholarship granting organization



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673 may expend up to five percent of its revenue from donations on
674 administrative and operating expenses in the calendar year of
675 the donation or in any subsequent calendar year.

676 ~~g.~~h. Ensure that scholarship funds on hand at the
677 beginning of a calendar year are expended on educational
678 scholarships within three calendar years. Any scholarship
679 funds on hand at the beginning of a calendar year that are not
680 expended on educational scholarships within three calendar
681 years shall be turned over to and deposited with the State
682 Department of Education for the benefit of its At-Risk Student
683 Program to be distributed to local boards of education on the
684 basis determined by the State Department of Education in
685 furtherance of support to underperforming schools.

686 ~~h.~~i. Ensure that **at least** 75 percent of first-time
687 recipients of educational scholarships were not continuously
688 enrolled in a private school during the previous academic
689 year. To ensure compliance with this paragraph, the local
690 board of education of the local school system in which an
691 eligible student applying for an educational scholarship
692 resides, upon written request by a parent, shall provide
693 written verification that a particular address is in the
694 attendance zone of a specified public school. The State
695 Department of Education shall provide written verification of
696 enrollment in a priority school under this chapter. With
697 respect to first time educational scholarship recipients,
698 scholarship granting organizations shall give priority to
699 eligible students who are zoned to attend a priority school
700 over eligible students who are not zoned to attend a priority



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701 school.

702 j. Ensure that 25 percent of first-time recipients of
703 educational scholarships are not zoned for a priority school
704 and were not continuously enrolled in a private school during
705 the previous academic year.

706 ~~i.~~k. Cooperate with the Department of Revenue to
707 conduct criminal background checks on all of their employees
708 and board members and exclude from employment or governance
709 any individual who may reasonably pose a risk to the
710 appropriate use of contributed funds.

711 ~~j.~~l. Ensure that educational scholarships are portable
712 during the academic year and can be used at any qualifying
713 school that accepts the eligible student according to the
714 wishes of the parent. If an eligible student transfers to
715 another qualifying school during an academic year, the
716 educational scholarship amount may be prorated.

717 ~~k.~~m. Publicly report to the Department of Revenue by
718 September 1 of each year all of the following information
719 prepared by a certified public accountant regarding their
720 educational scholarships funded in the previous academic year:

721 1. The name and address of the scholarship granting
722 organization.

723 2. The total number and total dollar amount of
724 contributions received during the previous academic year.

725 3. The total number and total dollar amount of
726 educational scholarships awarded and funded during the
727 previous academic year, the total number and total dollar
728 amount of educational scholarships awarded and funded during



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729 the previous academic year for students qualifying for the
730 federal free and reduced-price lunch program, and the
731 percentage of first-time recipients of educational
732 scholarships who were enrolled in a public school during the
733 previous academic year.

734 ~~h.n.~~ Publicly report to the Department of Revenue, by
735 the 15th day after the close of each calendar quarter, all of
736 the following information about educational scholarships
737 granted during the quarter:

738 1. The total number of scholarships awarded and funded.

739 2. The names of the qualifying schools that received
740 funding for educational scholarships, the total amount of
741 funds paid to each qualifying school, and the total number of
742 scholarship recipients enrolled in each qualifying school.

743 3. The total number of eligible students zoned to
744 attend a ~~failing~~ priority school who received educational
745 scholarships from the scholarship granting organization.

746 4. The total number of first time scholarship
747 recipients who were continuously enrolled in a nonpublic
748 school prior to receiving an educational scholarship from that
749 scholarship granting organization.

750 ~~m.o.~~ Ensure that educational scholarships are not
751 provided for eligible students to attend a school with paid
752 staff or board members, or relatives thereof, in common with
753 the scholarship granting organization.

754 ~~n.p.~~ Ensure that educational scholarships are provided
755 in a manner that does not discriminate based on the gender,
756 race, or disability status of the scholarship applicant or his



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757 or her parent.

758 ~~o. Ensure that educational scholarships are provided~~
759 ~~only to eligible students who are zoned to attend a failing~~
760 ~~school so that the eligible student can attend a qualifying~~
761 ~~school. To ensure compliance with the immediately preceding~~
762 ~~sentence, the local board of education for the county or~~
763 ~~municipality in which an eligible student applying for an~~
764 ~~educational scholarship resides, upon written request by a~~
765 ~~parent, shall provide written verification that a particular~~
766 ~~address is in the attendance zone of a specified public~~
767 ~~school. The State Department of Education shall provide~~
768 ~~written verification of enrollment in a failing school under~~
769 ~~this chapter. With respect to first time educational~~
770 ~~scholarship recipients, scholarship granting organizations~~
771 ~~shall give priority to eligible students zoned to attend~~
772 ~~failing schools over eligible students not zoned to attend~~
773 ~~failing schools.~~

774 q. Any scholarship funds unaccounted for on ~~July 31st~~
775 June 30 of each calendar year may be made available to
776 eligible students to defray the costs of attending a
777 qualifying school, whether or not the student is zoned to
778 attend a ~~failing~~ priority school. Any provision of this
779 section to the contrary notwithstanding, once an eligible
780 student receives an educational scholarship under this
781 program, scholarship funds may be made available to the
782 student for educational scholarships until the student
783 graduates from high school or reaches 19 years of age,
784 regardless of whether the student is zoned to attend a ~~failing~~



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785 priority school, subject to the income eligibility
786 requirements of paragraph (5)b.~~of subdivision (4)~~ of Section
787 16-6D-4.

788 r. An eligible student who enrolls in a public school
789 or public school program is considered to have terminated his
790 or her participation in the program. Any remaining scholarship
791 funds shall be paid to the public school system in which the
792 eligible student enrolls.

793 ~~p.s.~~ Ensure that no donations are directly made to
794 benefit specifically designated scholarship recipients or to
795 particular qualifying schools.

796 ~~q.t.~~ Submit to the Department of Revenue annual
797 verification of the scholarship granting organization's
798 policies and procedures used to determine scholarship
799 eligibility. The verification shall confirm that the
800 scholarship granting organization, and not one or more
801 qualifying schools accepting educational scholarship
802 recipients or scholarship funds, is determining whether
803 scholarship applicants are eligible to receive educational
804 scholarships. The verification shall also confirm that the
805 scholarship granting organization is giving priority to
806 receive an educational scholarship to eligible students zoned
807 to attend ~~failing~~ priority schools.

808 ~~r.u.~~ Submit to the Department of Revenue annual
809 verification that none of its actions or policies restricts a
810 parent's educational choice by limiting or prohibiting the
811 enrollment of eligible students in a qualifying school if
812 those eligible students received educational scholarships from



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813 other scholarship granting organizations.

814 (2) FINANCIAL ACCOUNTABILITY STANDARDS.

815 a. All scholarship granting organizations shall
816 demonstrate their financial accountability by doing all of the
817 following:

818 1. Maintaining a 10 percent reserve balance.

819 ~~1.~~2. Annually submitting to the Department of Revenue a
820 financial information report for the scholarship granting
821 organization that complies with uniform financial accounting
822 standards established by the Department of Revenue and
823 conducted by a certified public accountant.

824 ~~2.~~3. Having the auditor certify that the report is free
825 of material misstatements.

826 b. All qualifying nonpublic schools shall demonstrate
827 financial viability, if they are to receive donations of fifty
828 thousand dollars (\$50,000) or more during the academic year,
829 by doing either of the following:

830 1. Filing with the scholarship granting organization
831 prior to receipt of the first educational scholarship payment
832 for that academic year a surety bond payable to the
833 scholarship granting organization in an amount equal to the
834 aggregate amount of scholarship funds expected to be received
835 during the academic year.

836 2. Filing with the scholarship granting organization
837 prior to receipt of the first educational scholarship payment
838 for that academic year financial information that demonstrates
839 the financial viability of the qualifying nonpublic school.

840 c. A qualifying school, private tutor, or other



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841 educational service provider may not refund, rebate, or share
842 a student's scholarship with a parent or the student in any
843 manner.

844 (c) (1) Each scholarship granting organization shall
845 annually collect and submit to the Department of Revenue with
846 the annual report required by paragraph ~~k. of subdivision (1)~~
847 ~~of subsection~~ (b) (1)m. written verification from qualifying
848 nonpublic schools that accept its educational scholarship
849 students that those schools do all of the following:

850 a. Comply with all health and safety laws or codes that
851 otherwise apply to nonpublic schools.

852 b. Hold a valid occupancy permit if required by the
853 municipality.

854 c. Certify compliance with nondiscrimination policies
855 set forth in 42 U.S.C. §1981.

856 d. Conduct criminal background checks on employees and
857 then do all of the following:

858 1. Exclude from employment any person not permitted by
859 state law to work in a public school.

860 2. Exclude from employment any person who may
861 reasonably pose a threat to the safety of students.

862 (2) By August 1 of each year, each qualifying nonpublic
863 school shall provide to each scholarship granting organization
864 from which it receives educational scholarships verification
865 that the qualifying nonpublic school is in compliance with the
866 Alabama Child Protection Act of 1999, Chapter 22A of this
867 title. Any qualifying nonpublic school failing to timely
868 provide such annual verification shall be prohibited from



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869 participating in the scholarship program. Each scholarship
870 granting organization shall annually submit to the Department
871 of Revenue with the annual report required by paragraph ~~k. of~~
872 ~~subdivision (1) of subsection~~ (b) (1)m. copies of the written
873 verifications it receives from each qualifying nonpublic
874 school.

875 (3) ACADEMIC ACCOUNTABILITY STANDARDS. There shall be
876 sufficient information about the academic impact educational
877 scholarship tax credits have on students participating in the
878 tax credit scholarship program in order to allow parents and
879 taxpayers to measure the achievements of the tax credit
880 scholarship program, and therefore:

881 a. Each scholarship granting organization shall ensure
882 that qualifying schools that accept its educational
883 scholarship students shall do all of the following:

884 1. Annually administer ~~either~~ the state achievement
885 tests ~~or nationally recognized norm-referenced tests~~ that
886 measure learning gains in math and language arts to all
887 students receiving an educational scholarship in grades that
888 require testing under the accountability testing laws of the
889 state for public schools, in order that the state can compare
890 the academic achievement and learning gains of students
891 receiving educational scholarships with students of the same
892 socioeconomic and educational backgrounds who are taking the
893 state achievement tests ~~or nationally norm-referenced tests.~~
894 An eligible student with unique needs for whom standardized
895 testing is not appropriate, as outlined in his or her
896 individualized education plan (IEP), is exempt from the



897 requirements of this subparagraph.

898 2. Allow the costs of the testing requirement to be
899 covered by the educational scholarships distributed by the
900 scholarship granting organizations.

901 3. Provide the parents of each student who was tested
902 with a copy of the results of the tests on an annual basis,
903 beginning with the first year of testing.

904 4. Provide the test results to the Department of
905 Revenue on an annual basis, beginning with the first year of
906 testing.

907 5. Report student information that allows the state to
908 aggregate data by grade level, gender, family income level,
909 and race.

910 6. Provide graduation rates of those students
911 benefitting from educational scholarships to the Department of
912 Revenue or an organization chosen by the state in a manner
913 consistent with nationally recognized standards.

914 7. Ensure that a student who receives an educational
915 scholarship conforms to the attendance requirements of the
916 qualifying school. If a student fails to conform, the
917 qualifying school shall immediately communicate the failure to
918 the applicable scholarship granting organization.

919 8. Ensure that an eligible student with unique needs
920 who satisfies the requirements outlined in subparagraph 1., is
921 exempt from taking state achievement tests.

922 9. Ensure that an eligible student with unique needs is
923 not enrolled in a public school or public school program while
924 participating in the scholarship program.



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925 b. The Department of Revenue may bar a qualifying
926 school or educational service provider from the program if the
927 Department of Revenue discovers that the qualifying school or
928 educational service provider has done any of the following:

929 1. Routinely failed to comply with the accountability
930 standards established in this chapter.

931 2. Failed to provide the eligible student with the
932 educational services funded by the program.

933 c. If the Department of Revenue makes the determination
934 to bar a qualifying school or educational service provider
935 from the program, the Department of Revenue shall notify
936 eligible students and their parents of this decision as soon
937 as practicable. The Department of Revenue shall coordinate the
938 timing to coincide with the end of the school year.

939 ~~b.~~d.1. The Department of Revenue shall select an
940 independent research organization, which may be a public or
941 private entity or university, to analyze the results of the
942 testing required by paragraph a. every other academic year.
943 The cost of analyzing and reporting on the test results to the
944 Department of Revenue by the independent research organization
945 shall be borne by all scholarship granting organizations in
946 proportion to the total scholarship donations received for the
947 two calendar years prior to the report being published.
948 Scholarship granting organizations may receive and use funds
949 from outside sources to pay for its share of the biennial
950 report.

951 2. The independent research organization shall report
952 to the Department of Revenue every other year on the learning



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953 gains of students receiving educational scholarships and the
954 report shall be aggregated by the grade level, gender, family
955 income level, number of years of participation in the tax
956 credit scholarship program, and race of the student receiving
957 an educational scholarship. The report shall also include, to
958 the extent possible, a comparison of the learning gains of
959 students participating in the tax credit scholarship program
960 to the statewide learning gains of public school students with
961 socioeconomic and educational backgrounds similar to those
962 students participating in the tax credit scholarship program.

963 3. The first report under this paragraph shall be
964 submitted to the Department of Revenue by September 1, 2016.
965 Each biennial report thereafter shall be submitted to the
966 Department of Revenue on September 1 of the year the report is
967 due. All biennial reports required by this paragraph shall be
968 published on the website of the Department of Revenue.

969 4. Each scholarship granting organization shall collect
970 all test results from qualifying schools accepting its
971 scholarship recipients and turn over such test results to the
972 independent research organization described in this paragraph
973 by August 15 of each calendar year.

974 5. The sharing and reporting of student learning gain
975 data under this paragraph shall conform to the requirements of
976 the Family Educational Rights and Privacy Act, 20 U.S.C.
977 § 1232g., and shall be for the sole purpose of creating the
978 biennial report required by this paragraph. All parties shall
979 preserve the confidentiality of such information as required by
980 law. The biennial report shall not disaggregate data to a



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981 level that could identify qualifying schools participating in
982 the tax credit scholarship program or disclose the academic
983 level of individual students.

984 6. At the same time the biennial report under
985 subparagraph 2. is submitted to the Department of Revenue, it
986 shall be submitted to the Chair of the Senate Education Policy
987 Committee and the Chair of the House Education Policy
988 Committee.

989 (d) (1) The Department of Revenue shall adopt rules and
990 procedures consistent with this section as necessary.

991 (2) The Department of Revenue shall provide a
992 standardized format for a receipt to be issued by a
993 scholarship granting organization to a taxpayer to indicate
994 the value of a contribution received. The Department of
995 Revenue shall require a taxpayer to provide a copy of the
996 receipt when claiming the tax credit pursuant to this section.

997 (3) The Department of Revenue shall provide a
998 standardized format for a scholarship granting organization to
999 report the information required in paragraphs ~~k. and l. of~~
1000 ~~subdivision (1) of subsection~~ (b) (1)m. and (1)n.

1001 (4) The Department of Revenue may conduct either a
1002 financial review or audit of a scholarship granting
1003 organization.

1004 (5) The Department of Revenue may bar a scholarship
1005 granting organization or a qualifying school from
1006 participating in the tax credit scholarship program if the
1007 Department of Revenue establishes that the scholarship
1008 granting organization or the qualifying school has



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1009 intentionally and substantially failed to comply with the
1010 requirements in subsection (b) or subsection (c).

1011 (6) If the Department of Revenue decides to bar a
1012 scholarship granting organization or a qualifying school from
1013 the tax credit scholarship program, the Department of Revenue
1014 shall notify affected educational scholarship students and
1015 their parents of the decision as quickly as possible.

1016 (7) The Department of Revenue shall publish and
1017 routinely update, on the website of the department, a list of
1018 scholarship granting organizations in the state, by county.

1019 (8) The Department of Revenue shall publish and make
1020 publicly available on its website all annual and quarterly
1021 reports required to be filed with it by scholarship granting
1022 organizations under paragraphs k. and l. of subdivision (1) of
1023 subsection (b).

1024 (e) (1) All schools participating in the tax credit
1025 scholarship program shall be required to operate in Alabama.

1026 (2) All schools participating in the tax credit
1027 scholarship program shall comply with all state laws that
1028 apply to public schools regarding criminal background checks
1029 for employees and exclude from employment any person not
1030 permitted by state law to work in a public school.

1031 (3) All qualifying nonpublic schools participating in
1032 the tax credit scholarship program shall maintain a website
1033 that describes the school, the instructional program of the
1034 school, and the tuition and mandatory fees charged by the
1035 school, updated prior to the beginning of each semester.

1036 (4) The amount of a scholarship awarded a student to



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1037 attend a nonpublic school may not exceed the total sum of
1038 tuition and mandatory fees normally charged a student to
1039 attend the nonpublic school for the same attendance period.
1040 The amount of a scholarship awarded a student to attend a
1041 public school may not exceed the total state appropriation
1042 provided for a student to attend the public school for the
1043 same attendance period.

1044 (f) The tax credit provided in this section may be
1045 first claimed for the 2013 tax year, but may not be claimed
1046 for any tax year prior to the 2013 tax year.

1047 (g) (1) Nothing in this section shall be construed to
1048 force any public school, school system, or school district or
1049 any nonpublic school, school system, or school district to
1050 enroll any student. No qualifying school may enter into any
1051 agreement, whether oral or written, with a scholarship
1052 granting organization that would prohibit or limit an eligible
1053 student from enrolling in the school based on the identity of
1054 the scholarship granting organization from which the eligible
1055 student received an educational scholarship.

1056 (2) A public school, school system, or school district
1057 or any nonpublic school, school system, or school district may
1058 develop the terms and conditions under which it will allow a
1059 student who receives a scholarship from a scholarship granting
1060 organization pursuant to this section to be enrolled, but such
1061 terms and conditions may not discriminate on the basis of the
1062 race, gender, religion, disability status, or ethnicity of the
1063 student or of the student's parent.

1064 (3) Nothing in this section shall be construed to



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1065 authorize the violation of or supersede the authority of any
1066 court ruling that applies to the public school, school system,
1067 or school district, specifically any federal court order
1068 related to the desegregation of the local school system's
1069 student population.

1070 (h) Nothing in this chapter shall affect or change the
1071 athletic eligibility rules of student athletes governed by the
1072 Alabama High School Athletic Association or similar
1073 association."

1074 Section 2. This act shall become effective on the first
1075 day of the third month following its passage and approval by
1076 the Governor, or its otherwise becoming law.

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1077
1078
1079 Senate

1080 Read for the first time and referred27-Apr-23
1081 to the Senate committee on Finance
1082 and Taxation Education
1083
1084 Read for the second time and placed11-May-23
1085 on the calendar:
1086 1 amendment
1087
1088 Read for the third time and passed23-May-23
1089 as amended
1090 Yeas 26
1091 Nays 7
1092 Abstains 0
1093
1094
1095
1096
1097

Patrick Harris,
Secretary.