

SB263 INTRODUCED



1 SBKD85-1
2 By Senators Chesteen, Sessions, Melson, Williams, Reed,
3 Scofield
4 RFD: Finance and Taxation Education
5 First Read: 27-Apr-23
6
7 2023 Regular Session



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SYNOPSIS:

Under existing law, the Alabama Accountability Act of 2013, establishes an educational tax credit program that provides scholarships for students attending failing schools to transfer to nonfailing public or private schools.

This bill would change the terms failing school and nonfailing school to priority school and qualifying school, respectively.

This bill would revise or add definitions relating to educational service providers, the poverty threshold for eligible students, eligible students with unique needs, qualifying expenses for those students, private tutoring, and resident school district.

This bill would expand scholarships for eligible students attending nonfailing or qualifying schools.

This bill would revise the method of determining the annual amount awarded pursuant to an educational scholarship and would phase in an increase in the maximum cumulative amount of tax credits that may be issued each year.

This bill would require a scholarship granting organization to maintain a 10 percent reserve balance at all times and to verify the qualifications of an eligible student with unique needs.



SB263 INTRODUCED

29 This bill would also authorize the Department of
30 Revenue to bar a qualifying school or educational
31 service provider from participating in the program
32 under certain circumstances.

33

34

35

A BILL

36

TO BE ENTITLED

37

AN ACT

38

39 Relating to the Alabama Accountability Act of 2013; to
40 amend Sections 16-6D-3, 16-6D-4, 16-6D-6, 16-6D-8, and
41 16-6D-9, Code of Alabama 1975; to change the terms failing
42 school and nonfailing school to priority school and qualifying
43 school, respectively; to revise and add definitions; to expand
44 scholarships for eligible students attending nonfailing or
45 qualifying schools; to revise the poverty threshold for
46 determining the qualifications of an eligible student; to
47 provide for the qualifying expenses of eligible students with
48 unique needs; to revise the method of determining the amount
49 of educational scholarship awards; to increase the maximum
50 cumulative amount of tax credits that may be issued each year;
51 to require a scholarship granting organization to maintain a
52 reserve balance and to verify the qualifications of an
53 eligible student with unique needs; and to authorize the
54 Department of Revenue to bar qualifying schools or educational
55 service providers from participating in the program under
56 certain circumstances.



SB263 INTRODUCED

57 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

58 Section 1. Sections 16-6D-3, 16-6D-4, 16-6D-6, 16-6D-8,
59 and 16-6D-9 of the Code of Alabama 1975, are amended to read
60 as follows:

61 "§16-6D-3

62 (a) The Legislature finds and declares all of the
63 following:

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

68 (2) There is a critical need for innovative models of
69 public education that are tailored to the unique circumstances
70 and needs of the students in all schools and communities, and
71 especially in schools and communities that are struggling to
72 improve academic outcomes and close the achievement gap.

73 (3) To better serve students and better use available
74 resources, local boards of education, local school systems,
75 and parents need the ability to explore flexible alternatives
76 in an effort to be more efficient and effective in providing
77 operational and programmatic services.

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

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

82 (2) Improve educational performance through greater
83 individual school autonomy and managerial flexibility with
84 regard to programs and budgetary matters.



SB263 INTRODUCED

85 (3) Encourage innovation in education by providing
86 local school systems and school administrators with greater
87 control over decisions including, but not limited to,
88 budgetary matters, staffing, personnel, scheduling, and
89 educational programming, including curriculum and instruction.

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

94 "§16-6D-4

95 For the purposes of this chapter, the following terms
96 shall have the following meanings:

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

99 (2) DEPARTMENT OF REVENUE. The Alabama Department of
100 Revenue.

101 (3) EDUCATIONAL SCHOLARSHIP. A grant made by a
102 scholarship granting organization to an eligible student to
103 cover all or part of the tuition and mandatory fees for one
104 academic year charged by a qualifying school to the eligible
105 student receiving the scholarship; provided, however, that an
106 educational scholarship shall not exceed ~~six thousand dollars~~
107 ~~(\$6,000)~~ ten thousand dollars (\$10,000) per ~~for an elementary~~
108 ~~school student, eight thousand dollars (\$8,000) for a middle~~
109 ~~school student, or ten thousand dollars (\$10,000) for a high~~
110 ~~school~~ student per academic year. The term does not include a
111 lump sum, block grant, or similar payment by a scholarship
112 granting organization to a qualifying school that assigns the



SB263 INTRODUCED

113 responsibility in whole or in part for determining the
114 eligibility of scholarship recipients to the qualifying school
115 or any person or entity other than the scholarship granting
116 organization.

117 (4) EDUCATIONAL SERVICE PROVIDER. A licensed and
118 accredited program or service providing educational services
119 for students with unique needs and approved by the State
120 Department of Education.

121 ~~(4)~~ (5) ELIGIBLE STUDENT.

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

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

130 2. Was eligible to attend a public school in the
131 preceding semester or is starting school in Alabama for the
132 first time.

133 3. Resides in Alabama while receiving an educational
134 scholarship.

135 b. A scholarship granting organization shall determine
136 the eligibility of a student under subparagraph 1. of
137 paragraph a. every other academic year in which a student
138 receives an educational scholarship; provided that if the
139 annual income of the family of a student who has received at
140 least one educational scholarship exceeds ~~185~~ 250 percent of



SB263 INTRODUCED

141 the federal poverty level, the existing student shall remain
142 eligible to receive educational scholarships until and unless
143 the annual income of the family of the student exceeds ~~275~~ 350
144 percent of the federal poverty level; provided, further that
145 no student who has received at least one educational
146 scholarship shall be eligible to receive educational
147 scholarships if the annual income of his or her family exceeds
148 ~~275~~ 350 percent of the federal poverty level.

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

151 a. Is designated as a ~~failing~~ priority school by the
152 State Superintendent of Education.

153 b. Does not exclusively serve a special population of
154 students and ~~is listed in the lowest six percent of public~~
155 ~~K-12 schools based on the state standardized assessment in~~
156 ~~reading and math~~ has received an F on the most recent state
157 report card.

158 (6) ELIGIBLE STUDENT WITH UNIQUE NEEDS.

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

160 1. Is the subject of a current individual education
161 plan or 504 accommodation that has been issued according to
162 Section 504 of the Rehabilitation Act of 1973. This includes,
163 but is not limited to, a student who has an intellectual
164 disability or is speech or language impaired, deaf or hard of
165 hearing, visually impaired, dual sensory impaired, physically
166 impaired, specific learning disabled, autistic, or
167 hospitalized or home bound because of illness or disability.

168 2. Has attended a primary or secondary school in this



SB263 INTRODUCED

169 state during the immediately preceding school year.

170 3. Is not currently enrolled in a public school or
171 public school program.

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

174 5. Resides in Alabama while receiving an educational
175 scholarship.

176 ~~(6)~~ (7) FAMILY. A group of two or more people related by
177 birth, marriage, or adoption, including foster children, who
178 reside together.

179 ~~(7)~~ (8) FLEXIBILITY CONTRACT. A school flexibility
180 contract between the local school system and the State Board
181 of Education wherein a local school system may apply for
182 programmatic flexibility or budgetary flexibility, or both,
183 from state laws, regulations, and policies, including
184 regulations and policies ~~promulgated~~ adopted by the State
185 Board of Education and the State Department of Education.

186 ~~(8)~~ (9) INNOVATION PLAN. The request of a local school
187 system for flexibility and plan for annual accountability
188 measures and five-year targets for all participating schools
189 within the school system.

190 ~~(9)~~ (10) LOCAL BOARD OF EDUCATION. A city or county
191 board of education that exercises management and control of a
192 local school system pursuant to state law.

193 ~~(10)~~ (11) LOCAL SCHOOL SYSTEM. A public agency that
194 establishes and supervises one or more public schools within
195 its geographical limits pursuant to state law.

196 ~~(11)~~ (12) NONPUBLIC SCHOOL. Any nonpublic or private



SB263 INTRODUCED

197 school, including parochial schools, not under the
198 jurisdiction of the State Superintendent of Education and the
199 State Board of Education, providing educational services to
200 children. A nonpublic school provides education to elementary
201 or secondary, or both, students and has notified the
202 Department of Revenue of its intention to participate in the
203 scholarship program and comply with the requirements of the
204 scholarship program. A nonpublic school does not include home
205 schooling.

206 ~~(12)~~ (13) PARENT. The parent or guardian of a student,
207 with authority to act on behalf of the student. For purposes
208 of Section 16-6D-8, the parent or guardian shall claim the
209 student as a dependent on his or her Alabama state income tax
210 return.

211 (15) PRIVATE TUTORING. Tutoring services provided by a
212 tutor certified by the state or accredited by a regional or
213 national accrediting organization.

214 (16) PROGRAM. The Alabama Accountability Act
215 Scholarship Program.

216 (17) QUALIFYING EXPENSES TO EDUCATE AN ELIGIBLE STUDENT
217 WITH UNIQUE NEEDS:

218 a. Tuition and fees at a qualifying school.

219 b. Textbooks required by a qualifying school.

220 c. Payment to a licensed or accredited tutor.

221 d. Payment for the purchase of curriculum or
222 instructional material.

223 e. Tuition and fees for an approved nonpublic online
224 learning program.



SB263 INTRODUCED

225 f. Educational services for an eligible student with
226 unique needs from a licensed or accredited practitioner or
227 provider.

228 g. Contracted services from a public school district,
229 including individual classes.

230 ~~(13)~~ (18) QUALIFYING SCHOOL.

231 a. Either a public school outside of the resident
232 school district that is not considered ~~failing within the~~
233 ~~meaning of subdivision (5)~~ a priority school or any nonpublic
234 school ~~as defined in subdivision (11)~~ and that satisfies the
235 requirements of this subdivision. A qualifying nonpublic
236 school shall be accredited by one of the six regional
237 accrediting agencies or the National Council for Private
238 School Accreditation, AdvancEd, the American Association of
239 Christian Schools, or one of their partner accrediting
240 agencies. A nonpublic school shall have three years from the
241 later of the date the nonpublic school notified the Department
242 of Revenue of its intent to participate in the scholarship
243 program or June 10, 2015, to obtain the required accreditation
244 and shall thereafter maintain accreditation as required by
245 this subdivision. During the three-year period described in
246 the immediately preceding sentence, a nonpublic school that is
247 not accredited shall satisfy all of the following conditions
248 until the nonpublic school obtains accreditation:

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

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

252 3. Has a minimum 180-day school year, or its hourly



SB263 INTRODUCED

253 equivalent.

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

255 5. Requires all students to take the Stanford
256 Achievement Test, or its equivalent.

257 6. Requires all candidates for graduation to take the
258 American College Test before graduation.

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

263 8. Does not subject ~~special education~~ eligible students
264 with unique needs to the same testing or curricular
265 requirements as regular education students if it is not
266 required in the individual plan for the student.

267 9. Maintains a website that describes the school, the
268 instructional program of the school, and the tuition and
269 mandatory fees charged by the school, updated prior to the
270 beginning of each semester.

271 10. Annually affirms on forms prescribed by the
272 scholarship granting organization and the Department of
273 Revenue its status financially and academically and provide
274 other relative information as required by the scholarship
275 granting organization or as otherwise required in this
276 chapter.

277 b. A nonpublic school that is not accredited and that
278 has not been in existence for at least three years shall
279 nevertheless be considered a qualifying school if, in addition
280 to satisfying the requirements in subparagraphs 2. to 10.,



SB263 INTRODUCED

281 inclusive, of paragraph a., the nonpublic school operates
282 under the governance of the board of directors or the
283 equivalent thereof of an accredited nonpublic school. For
284 purposes of the immediately preceding sentence, the term
285 governance shall include, but not be limited to, curriculum
286 oversight, personnel and facility management, and financial
287 management. If, at the conclusion of the three-year period in
288 which a nonpublic school is required to obtain accreditation,
289 a nonpublic school is not accredited, the nonpublic school
290 shall not be considered a qualifying school and shall not
291 receive any funds from a scholarship granting organization
292 until the nonpublic school obtains the accreditation required
293 by this subdivision.

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

296 ~~(14)~~ (20) SCHOLARSHIP GRANTING ORGANIZATION. An
297 organization that provides or is approved to provide
298 educational scholarships to eligible students and eligible
299 students with unique needs attending qualifying schools of
300 their parents' choice."

301 "§16-6D-6

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

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

306 (2) The list of state laws, regulations, and policies,
307 including rules, regulations, and policies ~~promulgated~~ adopted
308 by the State Board of Education and the State Department of



SB263 INTRODUCED

309 Education, that the local school system is seeking to waive in
310 its school flexibility contract.

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

313 (b) A local school system is accountable to the state
314 for the performance of all schools in its system, including
315 innovative schools, under state and federal accountability
316 requirements.

317 (c) A local school system may not, pursuant to this
318 chapter, waive requirements imposed by federal law,
319 requirements related to the health and safety of students or
320 employees, requirements imposed by ethics laws, requirements
321 imposed by the Alabama Child Protection Act of 1999, Chapter
322 22A of this title, requirements imposed by open records or
323 open meetings laws, requirements related to financial or
324 academic reporting or transparency, requirements designed to
325 protect the civil rights of students or employees,
326 requirements related to the state retirement system or state
327 health insurance plan, or requirements imposed by Act
328 2012-482. This chapter may not be construed to allow a local
329 school system to compensate an employee at an annual amount
330 that is less than the amount the employee would otherwise be
331 afforded through the State Minimum Salary Schedule included in
332 the annual Education Trust Fund Appropriations Act. No local
333 school system shall involuntarily remove any rights or
334 privileges acquired by any employee under the Students First
335 Act of 2011, Chapter 24C of this title. Except as provided for
336 a ~~failing~~ priority school pursuant to subsection (e), no plan



SB263 INTRODUCED

337 or program submitted by a local board of education may be used
338 to deny any right or privilege granted to a new employee
339 pursuant to the Students First Act of 2011.

340 (d) No provision of this chapter shall be construed or
341 shall be used to authorize the formation of a charter school.

342 (e) Any provision of subsection (c) to the contrary
343 notwithstanding, nothing in this chapter shall be construed to
344 prohibit the approval of a flexibility contract that gives
345 potential, current, or future employees of a ~~failing~~ priority
346 school within the local school system the option to
347 voluntarily waive any rights or privileges already acquired or
348 that could potentially be acquired as a result of attaining
349 tenure or nonprobationary status, provided, however, that any
350 employee provided this option is also provided the option of
351 retaining or potentially obtaining any rights or privileges
352 provided under the Students First Act, Chapter 24C of this
353 title.

354 (f) The State Department of Education shall finalize
355 all school data and the local school system shall seek
356 approval of the local board of education before final
357 submission to the State Department of Education and the State
358 Board of Education.

359 (g) The final innovation plan, as recommended by the
360 local superintendent of education and approved by the local
361 board of education, shall accompany the formal submission of
362 the local school system to the State Department of Education.

363 (h) Within 60 days of receiving the final submission,
364 the State Superintendent of Education shall decide whether or



SB263 INTRODUCED

365 not the school flexibility contract and the innovation plan
366 should be approved. If the State Superintendent of Education
367 denies a school flexibility contract and innovation plan, he
368 or she shall provide a written explanation for his or her
369 decision to the local board of education. Likewise, a written
370 letter of approval by the State Superintendent of Education
371 shall be provided to the local board of education that
372 submitted the final school flexibility contract and innovation
373 plan.

374 (i) The State Board of Education shall promulgate any
375 necessary rules and regulations required to implement this
376 chapter including, but not limited to, all of the following:

377 (1) The specification of timelines for submission and
378 approval of the innovation plan and school flexibility
379 contract of a local school system.

380 (2) An authorization for the State Department of
381 Education, upon approval by the State Board of Education after
382 periodic review, to revoke a school flexibility contract for
383 noncompliance or nonperformance, or both, by a local school
384 system.

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

389 "§16-6D-8

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

392 (1) For tax years beginning on and after January 1,



SB263 INTRODUCED

393 2013, an Alabama income tax credit is made available to the
394 parent of a student enrolled in or assigned to attend a
395 ~~failing~~ priority school to help offset the cost of
396 transferring the student to a ~~nonfailing~~ qualifying public
397 school or nonpublic school of the parent's choice. The income
398 tax credit shall be an amount equal to 80 percent of the
399 average annual state cost of attendance for a public K-12
400 student during the applicable tax year or the actual cost of
401 attending a ~~nonfailing~~ qualifying public school or nonpublic
402 school, whichever is less. The actual cost of attending a
403 ~~nonfailing~~ qualifying public school or nonpublic school shall
404 be calculated by adding together any tuition amounts or
405 mandatory fees charged by the school to the student as a
406 condition of enrolling or of maintaining enrollment in the
407 school. The average annual state cost of attendance for a
408 public K-12 student shall be calculated by dividing the state
409 funds appropriated to the Foundation Program pursuant to
410 Section 16-13-231(b) (2) by the total statewide number of
411 pupils in average daily membership during the first 20
412 scholastic days following Labor Day of the preceding school
413 year. For each student who was enrolled in and attended a
414 ~~failing~~ priority school the previous semester whose parent
415 receives an income tax credit under this section, an amount
416 equal to 20 percent of the average annual state cost of
417 attendance for a public K-12 student during the applicable tax
418 year shall be allocated, for as long as the parent receives
419 the tax credit, to the ~~failing~~ priority school from which the
420 student transferred if the student transfers to and remains



SB263 INTRODUCED

421 enrolled in a nonpublic school. No such allocation shall be
422 made in the event the student transfers to or enrolls in a
423 ~~nonfailing~~ qualifying public school. The Department of
424 Education shall determine the best method of ensuring that the
425 foregoing allocation provisions are properly implemented. A
426 parent is allowed a credit against income tax for each taxable
427 year under the terms established in this section. If income
428 taxes owed by such a parent are less than the total credit
429 allowed under this subsection, the taxpayer shall be entitled
430 to a refund or rebate, as the case may be, equal to the
431 balance of the unused credit with respect to that taxable
432 year.

433 (2) Any income tax credit due a parent under this
434 section shall be granted or issued to the parent only upon his
435 or her making application therefor, at such time and in such
436 manner as may be prescribed from time to time by the
437 Department of Revenue. The application process shall include,
438 but not be limited to, certification by the parent that the
439 student was enrolled in or was assigned to attend a ~~failing~~
440 priority school, certification by the parent that the student
441 was subsequently transferred to, and was enrolled and
442 attended, a ~~nonfailing~~ qualifying public school or nonpublic
443 school of the parent's choice, and proof, satisfactory to the
444 Department of Revenue, of the actual cost of attendance for
445 the student at the ~~nonfailing~~ qualifying public school or
446 nonpublic school. For purposes of the tax credit authorized by
447 this section, costs of attendance does not include any such
448 costs incurred for an academic year prior to the 2013-2014



SB263 INTRODUCED

449 academic year. The Department of Revenue shall also prescribe
450 the various methods by which income tax credits are to be
451 issued to taxpayers. Income tax credits authorized by this
452 section shall be paid out of sales tax collections made to the
453 Education Trust Fund, and set aside by the Comptroller in the
454 ~~Failing~~ Priority Schools Income Tax Credit Account created in
455 subsection (c), in the same manner as refunds of income tax
456 otherwise provided by law, and there is hereby appropriated
457 therefrom, for such purpose, so much as may be necessary to
458 annually pay the income tax credits provided by this section.

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

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

465 (b) (1) The parent of a public school student may
466 request and receive an income tax credit pursuant to this
467 section to reimburse the parent for costs associated with
468 transferring the student from a ~~failing~~ priority school to a
469 ~~nonfailing~~ qualifying public school or nonpublic school of the
470 parent's choice, in any of the following circumstances:

471 a. By assigned school attendance area, if the student
472 spent the prior school year in attendance at a ~~failing~~
473 priority school and the attendance of the student occurred
474 during a school year in which the designation was in effect.

475 b. The student was in attendance elsewhere in the
476 Alabama public school system and was assigned to a ~~failing~~



SB263 INTRODUCED

477 priority school for the next school year.

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

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

482 (3) For the purposes of continuity of educational
483 choice, the tax credit shall be available to parents for those
484 grade levels of the ~~failing~~ priority school from which the
485 student transferred. The parent of a student who transfers
486 from a ~~failing~~ priority school may receive income tax credits
487 for those grade levels enrolled in and attended in the
488 ~~nonfailing~~ qualifying public school or nonpublic school of the
489 parent's choice transferred to that were included in the
490 ~~failing~~ priority school from which the student transferred,
491 whether or not the ~~failing~~ priority school becomes a
492 ~~nonfailing~~ qualifying school during those years. The parent of
493 such a student shall no longer be eligible for the income tax
494 credit after the student completes the highest grade level in
495 which he or she would otherwise have been enrolled at the
496 ~~failing~~ priority school. Notwithstanding the foregoing, as
497 long as the student remains enrolled in or assigned to attend
498 a ~~failing~~ priority school, the parent may again transfer the
499 student to a ~~nonfailing~~ qualifying public school or nonpublic
500 school of the parent's choice and request and receive an
501 income tax credit as provided in this section.

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



SB263 INTRODUCED

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

508 ~~b.~~ (2) Offer the parent of the student an opportunity to
509 enroll the student in another public school within the local
510 school system that is not a ~~failing~~ priority school or a
511 ~~failing~~ priority school to which the student has been
512 assigned.

513 ~~(5)~~ (d) The parent of a student enrolled in or assigned
514 to a school that has been designated as a ~~failing~~ priority
515 school, who decides to transfer the student to a ~~nonfailing~~
516 qualifying public school, shall first attempt to enroll the
517 student in a ~~nonfailing~~ qualifying public school within the
518 same local system in which the student is already enrolled or
519 assigned to attend before attempting to enroll the student in
520 a ~~nonfailing~~ qualifying public school that has available space
521 in any other local school system in the state. A local school
522 system may accept the student on whatever terms and conditions
523 the system establishes and report the student for purposes of
524 the local school system's funding pursuant to the Foundation
525 Program.

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

530 ~~(7)~~ (f) ~~Students with disabilities~~ Eligible students
531 with unique needs who are eligible to receive services from
532 the local school system under federal or state law, and who



SB263 INTRODUCED

533 participate in the tax credit program, remain eligible to
534 receive services from the local school system as provided by
535 federal or state law. The local school system shall be
536 reimbursed by the scholarship granting organization for all
537 contracted services provided to an eligible student and an
538 eligible student with unique needs.

539 ~~(8)~~ (g) If a parent enrolls a student in a ~~nonfailing~~
540 qualifying public school within the same local school system,
541 and that system provides transportation services for other
542 enrolled students, transportation costs to the ~~nonfailing~~
543 qualifying public school shall be the responsibility of the
544 local school system. Local school systems may negotiate
545 transportation options with a parent to minimize system costs.
546 If a parent enrolls a student in a nonpublic school or in a
547 ~~nonfailing~~ qualifying public school within another local
548 school system, regardless of whether that system provides
549 transportation services for other enrolled students,
550 transportation of the student shall be the responsibility of
551 the parent.

552 ~~(9)~~ (h) The State Department of Education shall
553 ~~promulgate~~ adopt reasonable rules to effectuate the intent of
554 this subsection. Rules shall include penalties for
555 noncompliance.

556 ~~(e)~~ (i) There is created within the Education Trust Fund
557 a separate account named the ~~Failing~~ Priority Schools Income
558 Tax Credit Account. The Commissioner of Revenue shall certify
559 to the Comptroller the amount of income tax credits due to
560 parents under this section and the Comptroller shall transfer



SB263 INTRODUCED

561 into the ~~Failing~~ Priority Schools Income Tax Credit Account
562 only the amount from sales tax revenues within the Education
563 Trust Fund that is sufficient for the Department of Revenue to
564 use to cover the income tax credits for the applicable tax
565 year. The Commissioner of Revenue shall distribute the funds
566 in the ~~Failing~~ Priority Schools Income Tax Credit Account to
567 parents pursuant to this section.

568 ~~(d)~~ (j) (1) Nothing in this section or chapter shall be
569 construed to force any public school, school system, or school
570 district or any nonpublic school, school system, or school
571 district to enroll any student.

572 ~~(2) A public school, school system, or school district~~
573 ~~or any nonpublic school, school system, or school district may~~
574 ~~develop the terms and conditions under which it will allow a~~
575 ~~student whose parent receives an income tax credit pursuant to~~
576 ~~this section to be enrolled, but such terms and conditions may~~
577 ~~not discriminate on the basis of the race, gender, religion,~~
578 ~~color, disability status, or ethnicity of the student or of~~
579 ~~the student's parent.~~

580 ~~(3)~~ (2) Nothing in this section shall be construed to
581 authorize the violation of or supersede the authority of any
582 court ruling that applies to the public school, school system,
583 or school district, specifically any federal court order
584 related to the desegregation of the local school system's
585 student population."

586 "§16-6D-9

587 (a) (1) An individual taxpayer who files a state income
588 tax return and is not claimed as a dependent of another



SB263 INTRODUCED

589 taxpayer, a taxpayer subject to the corporate income tax
590 levied by Chapter 18 of Title 40, an Alabama S corporation as
591 defined in Section 40-18-160, or a Subchapter K entity as
592 defined in Section 40-18-1 may claim a credit for a
593 contribution made to a scholarship granting organization. If
594 the credit is claimed by an Alabama S corporation or
595 Subchapter K entity, the credit shall pass through to and may
596 be claimed by any taxpayer eligible to claim a credit under
597 this subdivision who is a shareholder, partner, or member
598 thereof, based on the taxpayer's pro rata or distributive
599 share, respectively, of the credit.

600 (2) The tax credit may be claimed by an individual
601 taxpayer or a married couple filing jointly in an amount equal
602 to 100 percent of the total contributions the taxpayer made to
603 a scholarship granting organization for educational
604 scholarships during the taxable year for which the credit is
605 claimed, up to 100 percent of the tax liability of the
606 individual taxpayer, not to exceed one hundred thousand
607 dollars (\$100,000) per individual taxpayer or married couple
608 filing jointly. For purposes of this section, an individual
609 taxpayer includes an individual who is a shareholder of an
610 Alabama S corporation or a partner or member of a Subchapter K
611 entity that made a contribution to a scholarship granting
612 organization.

613 (3) The tax credit may be claimed by a taxpayer subject
614 to the Alabama corporate income tax in an amount equal to 100
615 percent of the total contributions the taxpayer made to a
616 scholarship granting organization for educational scholarships



SB263 INTRODUCED

617 during the taxable year for which the credit is claimed, up to
618 100 percent of the tax liability of the taxpayer.

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

623 (5) The cumulative amount of tax credits issued
624 pursuant to subdivision (2) and subdivision (3) shall not
625 exceed ~~thirty million dollars (\$30,000,000)~~ forty million
626 dollars (\$40,000,000) annually, based on the calendar year. If
627 the cumulative amount of tax credits issued exceeds 90 percent
628 of the set cap for three out of four consecutive years, there
629 will be an automatic increase of ten million dollars
630 (\$10,000,000) until the cumulative amount of tax credits
631 issued reaches sixty million dollars (\$60,000,000). A taxpayer
632 making one or more otherwise tax-creditable contributions
633 before the due date, with extensions, of a timely filed 2014
634 tax return may elect to treat all or a portion of such
635 contributions as applying to and creditable against its 2014
636 Alabama income tax liability, if the taxpayer properly
637 reserves the credit on the website of the Department of
638 Revenue or another method provided by the Department of
639 Revenue. The amount creditable against the taxpayer's 2014
640 income tax liability shall be limited to the lesser of the
641 amount so designated or the remaining balance, if any, of the
642 cumulative amount of the twenty-five million dollars
643 (\$25,000,000) of tax credits available for the 2014 calendar
644 year. No such contribution and election by a taxpayer to



SB263 INTRODUCED

645 reserve tax credits against the remaining balance of the
646 cumulative amount of tax credits available for 2014 shall
647 preclude the taxpayer from making additional contributions in
648 2015 and reserving those amounts against the cumulative amount
649 of tax credits available for 2015. The Department of Revenue
650 shall develop a procedure to ensure that this cap is not
651 exceeded and shall also prescribe the various methods by which
652 these credits are to be issued.

653 (6) No credit may be claimed for a contribution made to
654 a scholarship granting organization if the contribution is
655 restricted or conditioned in any way by the donor including,
656 but not limited to, requiring the scholarship granting
657 organization to direct all or part of the contribution to a
658 particular qualifying school or to grant an educational
659 scholarship to a particular eligible student.

660 (b) (1) ADMINISTRATIVE ACCOUNTABILITY STANDARDS. All
661 scholarship granting organizations shall do all of the
662 following:

663 a. Notify the Department of Revenue of their intent to
664 provide educational scholarships to eligible students.

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

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

672 d. Provide a Department of Revenue approved receipt to



SB263 INTRODUCED

673 taxpayers for contributions made to the scholarship granting
674 organization.

675 e. Ensure that all determinations with respect to the
676 eligibility of a student to receive an educational scholarship
677 shall be made by the scholarship granting organization. A
678 scholarship granting organization shall not delegate any
679 responsibility for determining the eligibility of a student
680 for an educational scholarship or any other requirements it is
681 subject to under this chapter to any qualifying school or an
682 entity affiliated therewith.

683 f. Verify that a student who is receiving an
684 educational scholarship as an eligible student with unique
685 needs satisfies the qualifications provided in subdivision (6)
686 of Section 16-6D-4, before the first day of every other
687 instructional year for which the student receives the
688 educational scholarship.

689 ~~f.g.~~ Ensure that at least 95 percent of their revenue
690 from donations is expended on educational scholarships, and
691 that all revenue from interest or investments is expended on
692 educational scholarships. A scholarship granting organization
693 may expend up to five percent of its revenue from donations on
694 administrative and operating expenses in the calendar year of
695 the donation or in any subsequent calendar year.

696 ~~g.h.~~ Ensure that scholarship funds on hand at the
697 beginning of a calendar year are expended on educational
698 scholarships within three calendar years. Any scholarship
699 funds on hand at the beginning of a calendar year that are not
700 expended on educational scholarships within three calendar



SB263 INTRODUCED

701 years shall be turned over to and deposited with the State
702 Department of Education for the benefit of its At-Risk Student
703 Program to be distributed to local boards of education on the
704 basis determined by the State Department of Education in
705 furtherance of support to underperforming schools.

706 h.i. Ensure that ~~at least~~ 75 percent of first-time
707 recipients of educational scholarships were zoned for a
708 priority school and were not continuously enrolled in a
709 private school during the previous academic year. To ensure
710 compliance with this paragraph, the local board of education
711 of the local school system in which an eligible student
712 applying for an educational scholarship resides, upon written
713 request by a parent, shall provide written verification that a
714 particular address is in the attendance zone of a specified
715 public school. The State Department of Education shall provide
716 written verification of enrollment in a priority school under
717 this chapter. With respect to first time educational
718 scholarship recipients, scholarship granting organizations
719 shall give priority to eligible students who are zoned to
720 attend a priority school over eligible students who are not
721 zoned to attend a priority school.

722 j. Ensure that 25 percent of first-time recipients of
723 educational scholarships are not zoned for a priority school
724 and were not continuously enrolled in a private school during
725 the previous academic year.

726 i.k. Cooperate with the Department of Revenue to
727 conduct criminal background checks on all of their employees
728 and board members and exclude from employment or governance



SB263 INTRODUCED

729 any individual who may reasonably pose a risk to the
730 appropriate use of contributed funds.

731 ~~j~~.l. Ensure that educational scholarships are portable
732 during the academic year and can be used at any qualifying
733 school that accepts the eligible student according to the
734 wishes of the parent. If an eligible student transfers to
735 another qualifying school during an academic year, the
736 educational scholarship amount may be prorated.

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

741 1. The name and address of the scholarship granting
742 organization.

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

745 3. The total number and total dollar amount of
746 educational scholarships awarded and funded during the
747 previous academic year, the total number and total dollar
748 amount of educational scholarships awarded and funded during
749 the previous academic year for students qualifying for the
750 federal free and reduced-price lunch program, and the
751 percentage of first-time recipients of educational
752 scholarships who were enrolled in a public school during the
753 previous academic year.

754 ~~l~~.n. Publicly report to the Department of Revenue, by
755 the 15th day after the close of each calendar quarter, all of
756 the following information about educational scholarships



SB263 INTRODUCED

757 granted during the quarter:

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

759 2. The names of the qualifying schools that received
760 funding for educational scholarships, the total amount of
761 funds paid to each qualifying school, and the total number of
762 scholarship recipients enrolled in each qualifying school.

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

766 4. The total number of first time scholarship
767 recipients who were continuously enrolled in a nonpublic
768 school prior to receiving an educational scholarship from that
769 scholarship granting organization.

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

774 ~~n.p.~~ p. Ensure that educational scholarships are provided
775 in a manner that does not discriminate based on the gender,
776 race, or disability status of the scholarship applicant or his
777 or her parent.

778 ~~o. Ensure that educational scholarships are provided~~
779 ~~only to eligible students who are zoned to attend a failing~~
780 ~~school so that the eligible student can attend a qualifying~~
781 ~~school. To ensure compliance with the immediately preceding~~
782 ~~sentence, the local board of education for the county or~~
783 ~~municipality in which an eligible student applying for an~~
784 ~~educational scholarship resides, upon written request by a~~



SB263 INTRODUCED

785 ~~parent, shall provide written verification that a particular~~
786 ~~address is in the attendance zone of a specified public~~
787 ~~school. The State Department of Education shall provide~~
788 ~~written verification of enrollment in a failing school under~~
789 ~~this chapter. With respect to first time educational~~
790 ~~scholarship recipients, scholarship granting organizations~~
791 ~~shall give priority to eligible students zoned to attend~~
792 ~~failing schools over eligible students not zoned to attend~~
793 ~~failing schools.~~

794 q. Any scholarship funds unaccounted for on ~~July 31st~~
795 June 30 of each calendar year may be made available to
796 eligible students to defray the costs of attending a
797 qualifying school, whether or not the student is zoned to
798 attend a ~~failing~~ priority school. Any provision of this
799 section to the contrary notwithstanding, once an eligible
800 student receives an educational scholarship under this
801 program, scholarship funds may be made available to the
802 student for educational scholarships until the student
803 graduates from high school or reaches 19 years of age,
804 regardless of whether the student is zoned to attend a ~~failing~~
805 priority school, subject to the income eligibility
806 requirements of paragraph (5) ~~b. of subdivision (4)~~ of Section
807 16-6D-4.

808 r. An eligible student who enrolls in a public school
809 or public school program is considered to have terminated his
810 or her participation in the program. Any remaining scholarship
811 funds shall be paid to the public school system in which the
812 eligible student enrolls.



SB263 INTRODUCED

813 ~~p.s.~~ Ensure that no donations are directly made to
814 benefit specifically designated scholarship recipients or to
815 particular qualifying schools.

816 ~~q.t.~~ Submit to the Department of Revenue annual
817 verification of the scholarship granting organization's
818 policies and procedures used to determine scholarship
819 eligibility. The verification shall confirm that the
820 scholarship granting organization, and not one or more
821 qualifying schools accepting educational scholarship
822 recipients or scholarship funds, is determining whether
823 scholarship applicants are eligible to receive educational
824 scholarships. The verification shall also confirm that the
825 scholarship granting organization is giving priority to
826 receive an educational scholarship to eligible students zoned
827 to attend ~~failing~~ priority schools.

828 ~~r.u.~~ Submit to the Department of Revenue annual
829 verification that none of its actions or policies restricts a
830 parent's educational choice by limiting or prohibiting the
831 enrollment of eligible students in a qualifying school if
832 those eligible students received educational scholarships from
833 other scholarship granting organizations.

834 (2) FINANCIAL ACCOUNTABILITY STANDARDS.

835 a. All scholarship granting organizations shall
836 demonstrate their financial accountability by doing all of the
837 following:

838 1. Maintaining a 10 percent reserve balance.

839 ~~1.2.~~ Annually submitting to the Department of Revenue a
840 financial information report for the scholarship granting



SB263 INTRODUCED

841 organization that complies with uniform financial accounting
842 standards established by the Department of Revenue and
843 conducted by a certified public accountant.

844 ~~2.~~3. Having the auditor certify that the report is free
845 of material misstatements.

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

850 1. Filing with the scholarship granting organization
851 prior to receipt of the first educational scholarship payment
852 for that academic year a surety bond payable to the
853 scholarship granting organization in an amount equal to the
854 aggregate amount of scholarship funds expected to be received
855 during the academic year.

856 2. Filing with the scholarship granting organization
857 prior to receipt of the first educational scholarship payment
858 for that academic year financial information that demonstrates
859 the financial viability of the qualifying nonpublic school.

860 c. A qualifying school, private tutor, or other
861 educational service provider may not refund, rebate, or share
862 a student's scholarship with a parent or the student in any
863 manner.

864 (c) (1) Each scholarship granting organization shall
865 annually collect and submit to the Department of Revenue with
866 the annual report required by paragraph ~~k. of subdivision (1)~~
867 ~~of subsection~~ (b) (1)m. written verification from qualifying
868 nonpublic schools that accept its educational scholarship



SB263 INTRODUCED

869 students that those schools do all of the following:

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

872 b. Hold a valid occupancy permit if required by the
873 municipality.

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

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

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

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

882 (2) By August 1 of each year, each qualifying nonpublic
883 school shall provide to each scholarship granting organization
884 from which it receives educational scholarships verification
885 that the qualifying nonpublic school is in compliance with the
886 Alabama Child Protection Act of 1999, Chapter 22A of this
887 title. Any qualifying nonpublic school failing to timely
888 provide such annual verification shall be prohibited from
889 participating in the scholarship program. Each scholarship
890 granting organization shall annually submit to the Department
891 of Revenue with the annual report required by paragraph ~~k. of~~
892 ~~subdivision (1) of subsection~~ (b) (1)m. copies of the written
893 verifications it receives from each qualifying nonpublic
894 school.

895 (3) ACADEMIC ACCOUNTABILITY STANDARDS. There shall be
896 sufficient information about the academic impact educational



SB263 INTRODUCED

897 scholarship tax credits have on students participating in the
898 tax credit scholarship program in order to allow parents and
899 taxpayers to measure the achievements of the tax credit
900 scholarship program, and therefore:

901 a. Each scholarship granting organization shall ensure
902 that qualifying schools that accept its educational
903 scholarship students shall do all of the following:

904 1. Annually administer ~~either~~ the state achievement
905 tests ~~or nationally recognized norm-referenced tests~~ that
906 measure learning gains in math and language arts to all
907 students receiving an educational scholarship in grades that
908 require testing under the accountability testing laws of the
909 state for public schools, in order that the state can compare
910 the academic achievement and learning gains of students
911 receiving educational scholarships with students of the same
912 socioeconomic and educational backgrounds who are taking the
913 state achievement tests ~~or nationally norm-referenced tests~~.
914 An eligible student with unique needs for whom standardized
915 testing is not appropriate, as outlined in his or her
916 individualized education plan (IEP), is exempt from the
917 requirements of this subparagraph.

918 2. Allow the costs of the testing requirement to be
919 covered by the educational scholarships distributed by the
920 scholarship granting organizations.

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

924 4. Provide the test results to the Department of



SB263 INTRODUCED

925 Revenue on an annual basis, beginning with the first year of
926 testing.

927 5. Report student information that allows the state to
928 aggregate data by grade level, gender, family income level,
929 and race.

930 6. Provide graduation rates of those students
931 benefitting from educational scholarships to the Department of
932 Revenue or an organization chosen by the state in a manner
933 consistent with nationally recognized standards.

934 7. Ensure that a student who receives an educational
935 scholarship conforms to the attendance requirements of the
936 qualifying school. If a student fails to conform, the
937 qualifying school shall immediately communicate the failure to
938 the applicable scholarship granting organization.

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

942 9. Ensure that an eligible student with unique needs is
943 not enrolled in a public school or public school program while
944 participating in the scholarship program.

945 b. The Department of Revenue may bar a qualifying
946 school or educational service provider from the program if the
947 Department of Revenue discovers that the qualifying school or
948 educational service provider has done any of the following:

949 1. Routinely failed to comply with the accountability
950 standards established in this chapter.

951 2. Failed to provide the eligible student with the
952 educational services funded by the program.



SB263 INTRODUCED

953 c. If the Department of Revenue makes the determination
954 to bar a qualifying school or educational service provider
955 from the program, the Department of Revenue shall notify
956 eligible students and their parents of this decision as soon
957 as practicable. The Department of Revenue shall coordinate the
958 timing to coincide with the end of the school year.

959 ~~b.~~d.1. The Department of Revenue shall select an
960 independent research organization, which may be a public or
961 private entity or university, to analyze the results of the
962 testing required by paragraph a. every other academic year.
963 The cost of analyzing and reporting on the test results to the
964 Department of Revenue by the independent research organization
965 shall be borne by all scholarship granting organizations in
966 proportion to the total scholarship donations received for the
967 two calendar years prior to the report being published.
968 Scholarship granting organizations may receive and use funds
969 from outside sources to pay for its share of the biennial
970 report.

971 2. The independent research organization shall report
972 to the Department of Revenue every other year on the learning
973 gains of students receiving educational scholarships and the
974 report shall be aggregated by the grade level, gender, family
975 income level, number of years of participation in the tax
976 credit scholarship program, and race of the student receiving
977 an educational scholarship. The report shall also include, to
978 the extent possible, a comparison of the learning gains of
979 students participating in the tax credit scholarship program
980 to the statewide learning gains of public school students with



SB263 INTRODUCED

981 socioeconomic and educational backgrounds similar to those
982 students participating in the tax credit scholarship program.

983 3. The first report under this paragraph shall be
984 submitted to the Department of Revenue by September 1, 2016.
985 Each biennial report thereafter shall be submitted to the
986 Department of Revenue on September 1 of the year the report is
987 due. All biennial reports required by this paragraph shall be
988 published on the website of the Department of Revenue.

989 4. Each scholarship granting organization shall collect
990 all test results from qualifying schools accepting its
991 scholarship recipients and turn over such test results to the
992 independent research organization described in this paragraph
993 by August 15 of each calendar year.

994 5. The sharing and reporting of student learning gain
995 data under this paragraph shall conform to the requirements of
996 the Family Educational Rights and Privacy Act, 20 U.S.C.
997 § 1232g., and shall be for the sole purpose of creating the
998 biennial report required by this paragraph. All parties shall
999 preserve the confidentiality of such information as required by
1000 law. The biennial report shall not disaggregate data to a
1001 level that could identify qualifying schools participating in
1002 the tax credit scholarship program or disclose the academic
1003 level of individual students.

1004 6. At the same time the biennial report under
1005 subparagraph 2. is submitted to the Department of Revenue, it
1006 shall be submitted to the Chair of the Senate Education Policy
1007 Committee and the Chair of the House Education Policy
1008 Committee.



SB263 INTRODUCED

1009 (d) (1) The Department of Revenue shall adopt rules and
1010 procedures consistent with this section as necessary.

1011 (2) The Department of Revenue shall provide a
1012 standardized format for a receipt to be issued by a
1013 scholarship granting organization to a taxpayer to indicate
1014 the value of a contribution received. The Department of
1015 Revenue shall require a taxpayer to provide a copy of the
1016 receipt when claiming the tax credit pursuant to this section.

1017 (3) The Department of Revenue shall provide a
1018 standardized format for a scholarship granting organization to
1019 report the information required in paragraphs ~~k. and l. of~~
1020 ~~subdivision (1) of subsection~~ (b) (1)m. and (b) (1)n.

1021 (4) The Department of Revenue may conduct either a
1022 financial review or audit of a scholarship granting
1023 organization.

1024 (5) The Department of Revenue may bar a scholarship
1025 granting organization or a qualifying school from
1026 participating in the tax credit scholarship program if the
1027 Department of Revenue establishes that the scholarship
1028 granting organization or the qualifying school has
1029 intentionally and substantially failed to comply with the
1030 requirements in subsection (b) or subsection (c).

1031 (6) If the Department of Revenue decides to bar a
1032 scholarship granting organization or a qualifying school from
1033 the tax credit scholarship program, the Department of Revenue
1034 shall notify affected educational scholarship students and
1035 their parents of the decision as quickly as possible.

1036 (7) The Department of Revenue shall publish and



SB263 INTRODUCED

1037 routinely update, on the website of the department, a list of
1038 scholarship granting organizations in the state, by county.

1039 (8) The Department of Revenue shall publish and make
1040 publicly available on its website all annual and quarterly
1041 reports required to be filed with it by scholarship granting
1042 organizations under paragraphs k. and l. of subdivision (1) of
1043 subsection (b).

1044 (e) (1) All schools participating in the tax credit
1045 scholarship program shall be required to operate in Alabama.

1046 (2) All schools participating in the tax credit
1047 scholarship program shall comply with all state laws that
1048 apply to public schools regarding criminal background checks
1049 for employees and exclude from employment any person not
1050 permitted by state law to work in a public school.

1051 (3) All qualifying nonpublic schools participating in
1052 the tax credit scholarship program shall maintain a website
1053 that describes the school, the instructional program of the
1054 school, and the tuition and mandatory fees charged by the
1055 school, updated prior to the beginning of each semester.

1056 (4) The amount of a scholarship awarded a student to
1057 attend a nonpublic school may not exceed the total sum of
1058 tuition and mandatory fees normally charged a student to
1059 attend the nonpublic school for the same attendance period.
1060 The amount of a scholarship awarded a student to attend a
1061 public school may not exceed the total state appropriation
1062 provided for a student to attend the public school for the
1063 same attendance period.

1064 (f) The tax credit provided in this section may be



SB263 INTRODUCED

1065 first claimed for the 2013 tax year, but may not be claimed
1066 for any tax year prior to the 2013 tax year.

1067 (g) (1) Nothing in this section shall be construed to
1068 force any public school, school system, or school district or
1069 any nonpublic school, school system, or school district to
1070 enroll any student. No qualifying school may enter into any
1071 agreement, whether oral or written, with a scholarship
1072 granting organization that would prohibit or limit an eligible
1073 student from enrolling in the school based on the identity of
1074 the scholarship granting organization from which the eligible
1075 student received an educational scholarship.

1076 (2) A public school, school system, or school district
1077 or any nonpublic school, school system, or school district may
1078 develop the terms and conditions under which it will allow a
1079 student who receives a scholarship from a scholarship granting
1080 organization pursuant to this section to be enrolled, but such
1081 terms and conditions may not discriminate on the basis of the
1082 race, gender, religion, disability status, or ethnicity of the
1083 student or of the student's parent.

1084 (3) Nothing in this section shall be construed to
1085 authorize the violation of or supersede the authority of any
1086 court ruling that applies to the public school, school system,
1087 or school district, specifically any federal court order
1088 related to the desegregation of the local school system's
1089 student population.

1090 (h) Nothing in this chapter shall affect or change the
1091 athletic eligibility rules of student athletes governed by the
1092 Alabama High School Athletic Association or similar



SB263 INTRODUCED

1093 association."

1094 Section 2. This act shall become effective on the first
1095 day of the third month following its passage and approval by
1096 the Governor, or its otherwise becoming law.