

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH70315-LHf-173D (04/02)

Short Title: Amend Leg. Tuition Grant/Fee.

(Public)

Sponsors: Representative Luebke.

Referred to:

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT UPPER TAX BRACKET TAXPAYERS ARE
2 ELIGIBLE TO RECEIVE ONLY FIFTY PERCENT OF THE LEGISLATIVE
3 TUITION GRANT, TO REQUIRE THE STATE EDUCATION ASSISTANCE
4 AUTHORITY TO DOCUMENT THE NUMBER OF FULL-TIME EQUIVALENT
5 UNDERGRADUATE STUDENTS ENROLLED IN PRIVATE INSTITUTIONS
6 AND THE STATE FUNDS COLLECTED BY THOSE INSTITUTIONS FOR
7 THOSE STUDENTS, TO AUTHORIZE THE STATE EDUCATION
8 ASSISTANCE AUTHORITY AND THE SECRETARY OF ADMINISTRATION
9 TO REQUEST AN AUDIT OF ANY INSTITUTION THAT FAILS TO ADHERE
10 TO THE RULES FOR THE ADMINISTRATION OF THE LEGISLATIVE
11 TUITION GRANTS, TO CLARIFY THAT THE GENERAL ASSEMBLY DOES
12 NOT INTEND FOR PRIVATE COLLEGES AND UNIVERSITIES TO
13 "BUNDLE" THE LEGISLATIVE TUITION GRANTS AND PROVIDE THOSE
14 GRANTS TO A SELECT FEW STUDENTS, AND TO AUTHORIZE THE STATE
15 EDUCATION ASSISTANCE AUTHORITY TO CHARGE A FEE TO PRIVATE
16 INSTITUTIONS FOR ADMINISTERING THE LEGISLATIVE TUITION
17 GRANTS.
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19 The General Assembly of North Carolina enacts:

20 **SECTION 1.** G.S. 116-21.2 is amended by adding the following new
21 subsections to read:

22 "(f) Notwithstanding any other provision of this section, the tuition subsidy
23 authorized by this section for a student enrolled or to be enrolled at a private institution
24 is limited as provided by this subsection. If a student is, or can be claimed as a
25 dependent by, an upper tax bracket taxpayer, then the amount provided for that student
26 as a tuition subsidy under subsection (b) of this section for a student who is enrolled or
27 to be enrolled at a private institution is reduced by fifty percent (50%).

1 (g) The following definitions apply in this section:

2 (1) Code. – Defined in G.S. 105-228.90.

3 (2) Dependent. – A person for whom the taxpayer is allowed to deduct a
4 personal exemption under section 151(c) of the Code.

5 (3) Upper tax bracket taxpayer. – A taxpayer whose taxable income under
6 the Code exceeds the applicable amount provided in the table below:

<u>Filing Status</u>	<u>Taxable Income</u>
<u>Married filing jointly/Surviving Spouse</u>	<u>\$100,000</u>
<u>Head of Household</u>	<u>80,000</u>
<u>Single</u>	<u>60,000</u>
<u>Married filing separately</u>	<u>50,000."</u>

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13 **SECTION 2.** G.S. 116-21.2 is amended by adding a new subsection to read:

14 "(c1) The State Education Assistance Authority shall document the number of
15 full-time equivalent North Carolina undergraduate students that are enrolled in private
16 institutions and the State funds collected by each institution pursuant to this section for
17 those students. The State Education Assistance Authority shall report those findings to
18 the Secretary of Administration, the State Auditor, and the Joint Legislative Education
19 Oversight Committee. Either the State Education Assistance Authority or the Secretary
20 of Administration may request the State Auditor to examine an approved institution if
21 the institution does not adhere to rules adopted by the State Education Assistance
22 Authority for the administration of this grant."

23 **SECTION 3.** G.S. 116-21.3 is amended by adding the following new
24 subsection to read:

25 "(e) It is the intent of the General Assembly that legislative tuition grants be
26 provided in addition to any other financial aid a private institution may distribute to
27 students. The General Assembly further does not intend for legislative tuition grants to
28 be combined to create sums that exceed the amount granted to full-time students as
29 legislative tuition grants and then distributed to only a few students selected by a private
30 institution."

31 **SECTION 4.** G.S. 116-204 is amended by adding a new subdivision to read:

32 "(1a) To charge and collect a fee of one hundred dollars (\$100.00) from each
33 private institution that receives a legislative tuition grant on behalf of a
34 student to assist with the cost to the Authority of administering the
35 legislative tuition grant program."

36 **SECTION 5.** This act becomes effective July 1, 2003.