

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE BILL 1283**

Short Title: Amend Leg. Tuition Grant/Fee.

(Public)

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Sponsors: Representatives Luebke and Insko (Primary Sponsors).

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Referred to: Finance.

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May 14, 2003

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%).

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

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

- 1           (2)    Dependent. – A person for whom the taxpayer is allowed to deduct a  
2                    personal exemption under section 151(c) of the Code.  
3           (3)    Upper tax bracket taxpayer. – A taxpayer whose taxable income under  
4                    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>

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

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

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

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

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

30           "(1a) To charge and collect a fee of one hundred dollars (\$100.00) from each  
31 private institution that receives a legislative tuition grant on behalf of a  
32 student to assist with the cost to the Authority of administering the  
33 legislative tuition grant program."

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