

HOUSE _____ **AMENDMENT NO.** _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1854, Page 6, Section 135.1150, Line 78, by
2 inserting after all of said section and line the following:

3
4 “135.1220. 1. This section shall be known and may be cited as "Bryce's Law".

5 2. As used in this section, the following terms mean:

6 (1) "Autism spectrum disorder", pervasive developmental disorder; Asperger syndrome;
7 childhood disintegrative disorder; Rett syndrome; and autism;

8 (2) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real
9 property;

10 (3) "Department", the department of elementary and secondary education;

11 (4) "Director", the director of the department of elementary and secondary education;

12 (5) "Educational scholarships", grants to students to cover all or part of the tuition and fees at
13 either a qualified nonpublic school or a qualified public school, including transportation;

14 (6) "Eligible student", any elementary or secondary student who attended public school in
15 Missouri the preceding semester, or who will be attending school in Missouri for the first time, who is
16 diagnosed as having, or has an individualized education plan based on, a special needs condition;

17 (7) "Parent", includes a guardian, custodian, or other person with authority to act on behalf of the
18 child;

19 (8) "Program", the program established in this section;

20 (9) "Qualified school", either an accredited public elementary or secondary school outside of the
21 district in which a student resides or an accredited nonpublic elementary or secondary school in Missouri
22 that complies with all of the requirements of the program and complies with all state laws that apply to
23 nonpublic schools regarding criminal background checks for employees and excludes from employment
24 any person not permitted by state law to work in a nonpublic school;

25 (10) "Scholarship granting organization", a charitable organization which is exempt from federal
26 income tax that complies with the requirements of this program and provides education scholarships to
27 students attending qualified schools of their parents' choice, and that does not accept contributions on
28 behalf of any eligible student from any taxpayer with any obligation to provide any support for the eligible
29 student;

30 (11) "Special needs", an autism spectrum disorder, Down syndrome, Angelman syndrome, or
31 cerebral palsy;

1 (12) "State tax liability", in the case of a business taxpayer, any liability incurred by such
2 taxpayer under chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related
3 provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under chapter
4 143, excluding sections 143.191 to 143.265 and related provisions;

5 (13) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S
6 corporation doing business in the state of Missouri and subject to the state income tax imposed by the
7 provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the
8 provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in
9 this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of
10 this state under the provisions of chapter 148, or an express company which pays an annual tax on its
11 gross receipts in this state under chapter 153, or an individual subject to the state income tax imposed by
12 the provisions of chapter 143, or any charitable organization which is exempt from federal income tax and
13 whose Missouri unrelated business taxable income, if any, would be subject to the state income tax
14 imposed under chapter 143.

15 3. For all tax years beginning on or after January 1, 2012, a taxpayer shall be allowed to claim a
16 tax credit against the taxpayer's state tax liability in an amount equal to eighty percent of the amount such
17 taxpayer contributed to a scholarship granting organization. No taxpayer shall be issued more than eight
18 hundred thousand dollars in tax credits authorized under this section per tax year.

19 4. The amount of the tax credit claimed shall not exceed fifty percent of a taxpayer's state tax
20 liability for the taxable year for which the credit is claimed. However, any tax credit that cannot be
21 claimed in the taxable year the contribution was made may be carried over to the next four succeeding
22 taxable years until the full credit has been claimed.

23 5. The director shall determine, at least annually, which organizations in this state may be
24 classified as scholarship granting organizations. The director may require of an organization seeking to be
25 classified as a scholarship granting organization whatever information which is reasonably necessary to
26 make such a determination. The director shall classify an organization as a scholarship granting
27 organization if such organization meets the definition set forth in this section.

28 6. The director shall establish a procedure by which a taxpayer can determine if an organization
29 has been classified as a scholarship granting organization. Scholarship granting organizations shall be
30 permitted to decline a contribution from a taxpayer.

31 7. Each scholarship granting organization shall provide information to the director concerning the
32 identity of each taxpayer making a contribution to the scholarship granting organization who is claiming a
33 tax credit under this section and the amount of the contribution. The director shall provide the
34 information to the director of revenue. The director shall be subject to the confidentiality and penalty
35 provisions of section 32.057 relating to the disclosure of tax information.

36 8. The director shall annually make a determination on the number of students in Missouri with
37 an individualized education program based upon special needs. The director shall determine ten percent
38 of this number for students to receive a scholarship from a scholarship granting organization in that year,
39 plus a number based on fifty percent of the number of students with special needs-based individualized
40 education programs for scholarships to be granted to students with a medical diagnosis of a special need

1 who do not have an individualized education program based on the special need. The director shall
2 publicly announce the number of special needs scholarship opportunities available each year. Once a
3 scholarship granting organization has decided to provide a student with a scholarship, it shall promptly
4 notify the director. The director shall keep a running tally of the number of scholarships granted in the
5 order in which they were reported. Once the tally reaches the annual limit of eligible students, the director
6 shall notify all of the participating scholarship granting organizations that they may not issue any more
7 scholarships and any more receipts for contributions. If the scholarship granting organizations have not
8 expended all of their available scholarship funds in that year at the time when the limit is reached, the
9 available scholarship funds may be carried over into the next year. These unexpended funds shall not be
10 counted as part of the requirement in subdivision (3) of subsection 10 of this section for that year. Any
11 receipt for a scholarship contribution issued by a scholarship granting organization before the director has
12 publicly announced the student limit has been reached shall be valid for a taxpayer claiming a credit.

13 9. Notwithstanding any other law to the contrary, any tax credits granted under this section may
14 be assigned, transferred, sold, or otherwise conveyed without consent or approval. Such taxpayer,
15 hereinafter the assignor for purposes of this section, may sell, assign, exchange, or otherwise transfer
16 earned tax credits:

17 (1) For no less than seventy-five percent of the par value of such credits; and

18 (2) In an amount not to exceed one hundred percent of annual earned credits.

19 10. Each scholarship granting organization participating in the program shall:

20 (1) Notify the department of its intent to provide educational scholarships to students attending
21 qualified schools;

22 (2) Provide a department-approved receipt to taxpayers for contributions made to the
23 organization;

24 (3) Ensure that at least ninety percent of its revenue from donations is spent on educational
25 scholarships, and that all revenue from interest or investments is spent on educational scholarships;

26 (4) Distribute periodic scholarship payments as checks made out to a student's parent and mailed
27 to the qualified school where the student is enrolled. The parent or guardian shall endorse the check
28 before it can be deposited;

29 (5) Cooperate with the department to conduct criminal background checks on all of its employees
30 and board members and exclude from employment or governance any individual who might reasonably
31 pose a risk to the appropriate use of contributed funds;

32 (6) Ensure that scholarships are portable during the school year and can be used at any qualified
33 school that accepts the eligible student according to a parent's wishes. If a student moves to a new
34 qualified school during a school year, the scholarship amount may be prorated;

35 (7) Demonstrate its financial accountability by:

36 (a) Submitting a financial information report for the organization that complies with uniform
37 financial accounting standards established by the department and conducted by a certified public
38 accountant; and

39 (b) Having the auditor certify that the report is free of material misstatements;

40 (8) Demonstrate its financial viability, if the organization is to receive donations of fifty thousand

1 dollars or more during the school year, by filing with the department prior to the start of the school year:

2 (a) A surety bond payable to the state in an amount equal to the aggregate amount of
3 contributions expected to be received during the school year; or

4 (b) Financial information that demonstrates the financial viability of the scholarship granting
5 organization.

6 11. Each scholarship granting organization shall ensure that each participating school that accepts
7 its scholarship students shall:

8 (1) Comply with all health and safety laws or codes that apply to nonpublic schools;

9 (2) Hold a valid occupancy permit if required by its municipality;

10 (3) Certify that it will comply with 42 U.S.C. Section 1981, as amended; and

11 (4) Provide academic accountability to parents of the students in the program by regularly
12 reporting to the parent on the student's progress.

13 12. Scholarship granting organizations shall not provide educational scholarships for students to
14 attend any school with paid staff or board members who are relatives within the first degree of
15 consanguinity or affinity.

16 13. A scholarship granting organization shall publicly report to the department, by June first of
17 each year, the following information prepared by a certified public accountant regarding its grants in the
18 previous calendar year:

19 (1) The name and address of the scholarship granting organization;

20 (2) The total number and total dollar amount of contributions received during the previous
21 calendar year; and

22 (3) The total number and total dollar amount of educational scholarships awarded during the
23 previous calendar year, and the total number and total dollar amount of educational scholarships awarded
24 during the previous year to students eligible for free and reduced lunch.

25 14. The department shall adopt rules and regulations consistent with this section as necessary to
26 implement the program.

27 15. The department shall provide a standardized format for a receipt to be issued by a scholarship
28 granting organization to a taxpayer to indicate the value of a contribution received. The department shall
29 require a taxpayer to provide a copy of this receipt when claiming the Missouri special needs scholarship
30 tax credit.

31 16. The department shall provide a standardized format for scholarship granting organizations to
32 report the information in this section.

33 17. The department may conduct either a financial review or audit of a scholarship granting
34 organization.

35 18. If the department believes that a scholarship granting organization has intentionally and
36 substantially failed to comply with the requirements of this section, the department may hold a hearing
37 before the director, or his or her designee, to bar a scholarship granting organization from participating in
38 the program. The director, or his or her designee, shall issue a decision within thirty days. A scholarship
39 granting organization may appeal the director's decision to the administrative hearing commission for a
40 hearing in accordance with the provisions of chapter 621.

1 19. If the scholarship granting organization is barred from participating in the program, the
2 department shall notify affected scholarship students and their parents of this decision within fifteen days.

3 20. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
4 the authority delegated in this section shall become effective only if it complies with and is subject to all
5 of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
6 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review,
7 to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then
8 the grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be invalid
9 and void.

10 21. The department shall conduct a study of the program with funds other than state funds. The
11 department may contract with one or more qualified researchers who have previous experience evaluating
12 similar programs. The department may accept grants to assist in funding this study.

13 22. The study shall assess:

14 (1) The level of participating students' satisfaction with the program;

15 (2) The level of parental satisfaction with the program;

16 (3) The percentage of participating students who were bullied or harassed because of their special
17 needs status at their resident school district compared to the percentage so bullied or harassed at their
18 qualified school;

19 (4) The percentage of participating students who exhibited behavioral problems at their resident
20 school district compared to the percentage exhibiting behavioral problems at their qualified school;

21 (5) The class size experienced by participating students at their resident school district and at
22 their qualified school; and

23 (6) The fiscal impact to the state and resident school districts of the program.

24 23. The study shall be completed using appropriate analytical and behavioral sciences
25 methodologies to ensure public confidence in the study.

26 24. The department shall provide the general assembly with a final copy of the evaluation of the
27 program by December 31, 2015.

28 25. The public and nonpublic participating schools from which students transfer to participate in
29 the program shall cooperate with the research effort by providing student assessment instrument scores
30 and any other data necessary to complete this study.

31 26. The general assembly may require periodic updates on the status of the study from the
32 department. The individuals completing the study shall make their data and methodology available for
33 public review while complying with the requirements of the Family Educational Rights and Privacy Act,
34 as amended.

35 27. Under section 23.253 of the Missouri sunset act:

36 (1) The provisions of the new program authorized under this section shall sunset automatically on
37 December thirty-first six years after the effective date of this section unless reauthorized by an act of the
38 general assembly; and

39 (2) If such program is reauthorized, the program authorized under this section shall sunset
40 automatically on December thirty-first twelve years after the effective date of the reauthorization of this

1 section; and

2 (3) This section shall terminate on September first of the calendar year immediately following the
3 calendar year in which the program authorized under this section is sunset.”; and

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5 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.