

HOUSE BILL NO. 2068

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FITZWATER.

4453H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto five new sections relating to educational scholarships.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto five new sections, to be known as sections 135.730, 135.732, 135.734, 135.736, and 135.738, to read as follows:

135.730. 1. Sections 135.730 to 135.738 establish the "Show Me A Brighter Future Scholarship Program".

2. For purposes of sections 135.730 to 135.738, the following terms shall mean:

(1) "Eligible student", a student who:

(a) Is a member of a household whose total annual income in the year prior to such student receiving a scholarship under this program does not exceed an amount equal to two times the income standard used to qualify for free and reduced-price lunch. Once a student receives a scholarship under this program, the student shall remain eligible regardless of household income until the student graduates high school or reaches twenty-one years of age, whichever is sooner; and

(b) Attended a public school in the preceding semester or is starting school in this state for the first time; or

(c) Is starting school in this state for the first time and is a sibling of a student already enrolled in the program;

(2) "Parent", a parent or guardian, custodian, or other person with authority to act on behalf of the eligible student;

(3) "Program", the show me a brighter future scholarship program;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

18 (4) "Qualifying school", any private school in the state that provides education to
19 elementary or secondary students and has notified the state treasurer of its intention to
20 participate in the program and comply with the program's requirements;

21 (5) "Scholarship fund", the show me a brighter future scholarship fund created in
22 section 135.736 and administered by the state treasurer;

23 (6) "Scholarship grant", a contribution to a qualified tuition savings account
24 established under Section 529 of the Internal Revenue Code, as amended, or an achieving
25 a better life experience (ABLE) account, as defined in section 209.600, to cover all or part
26 of tuition, special education services, therapies, or transportation at a qualifying school;

27 (8) "Special education eligible student", any student who has an individualized
28 education plan (IEP) created by a public school at the time of application to the program.

 135.732. 1. For all tax years beginning on or after January 1, 2021, any taxpayer
2 who makes a qualifying contribution to the scholarship fund shall be allowed a credit
3 against the tax otherwise due under chapter 143, excluding withholding taxes imposed by
4 sections 143.191 to 143.265, and chapter 153, in an amount equal to one hundred percent
5 of the amount the taxpayer contributed during the tax year for which the credit is claimed.
6 No taxpayer shall claim a credit under sections 135.730 to 135.738 for any contribution
7 made by the taxpayer or an agent of the taxpayer on behalf of the taxpayer's dependent
8 or, in the case of a business taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed by an individual taxpayer or a married
10 couple filing jointly shall not exceed fifty percent of the taxpayer's state tax liability for the
11 tax year for which the credit is claimed.

12 3. The amount of the tax credit claimed by a corporate taxpayer shall not exceed
13 fifty percent of the corporate taxpayer's state tax liability for the tax year for which the
14 credit is claimed.

15 4. The state treasurer shall certify the tax credit amount to the taxpayer. An
16 individual or corporate taxpayer, or a married couple filing jointly, may carry the credit
17 forward to any of such taxpayer's three subsequent tax years. All tax credits authorized
18 under the program shall not be transferred, sold, or assigned, and are not refundable.

19 5. The cumulative amount of tax credits that may be allocated to all taxpayers
20 contributing to the scholarship fund in the first year of the program shall not exceed
21 twenty-five million dollars. If the amount of tax credits claimed in the first tax year
22 exceeds ninety percent of the tax credits available, the amount of tax credits available shall
23 increase by ten percent in the subsequent year. The state treasurer shall establish a
24 procedure by which, from the beginning of the calendar year until August first, the

25 cumulative amount of tax credits shall be allocated to taxpayers on a first come, first served
26 basis.

27 6. A taxpayer who makes a contribution to the scholarship fund shall not designate
28 the student who will receive a scholarship grant.

135.734. 1. The state treasurer shall adopt rules and procedures necessary to
2 implement the provisions of sections 135.730 to 135.738, including rules setting forth:

3 (1) The order of preference for scholarship awards;

4 (2) Reporting requirements;

5 (3) Responsibilities of a parent of an eligible student; and

6 (4) Responsibilities of an eligible student's school district of residence.

7 2. A scholarship grant awarded to an eligible student shall be in an amount equal
8 to the state adequacy target, as defined in section 163.011.

9 3. A scholarship grant awarded to a special education eligible student shall be in
10 an amount equal to the state adequacy target multiplied by one and seventy-five
11 hundredths.

12 4. Scholarship funds in a qualified tuition savings account shall only be used for
13 payment of tuition at a qualifying school.

14 5. Scholarship funds in an ABLE account shall only be used for tuition at a
15 qualifying school, special education services, therapies, and transportation.

16 6. The state treasurer shall not discriminate on the basis of race, color, creed, or
17 national origin in making scholarship grants, and shall not make multiyear scholarship
18 grants.

19 7. The state treasurer may bar a parent from future participation in the program
20 if the state treasurer establishes that the parent has intentionally spent scholarship grant
21 funds for a purpose other than that allowed by law or rule.

135.736. 1. There is hereby created in the state treasury the "Show Me a Brighter
2 Future Scholarship Fund", which shall consist of moneys collected under sections 135.730
3 to 135.738. The state treasurer shall be custodian of the fund. In accordance with sections
4 30.170 and 30.180, the state treasurer may approve disbursements. Moneys in the fund
5 shall be used solely by the department of revenue for the purposes of sections 135.730 to
6 135.738.

7 2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys
8 remaining in the fund at the end of the biennium shall not revert to the credit of the
9 general revenue fund.

10 **3. The state treasurer shall invest moneys in the fund in the same manner as other**
11 **funds are invested. Any interest and moneys earned on such investments shall be credited**
12 **to the fund.**

135.738. 1. The state treasurer shall promulgate rules to implement the provisions
2 **of section 135.730 to 135.738. Any rule or portion of a rule, as that term is defined in**
3 **section 536.010, that is created under the authority delegated in this section shall become**
4 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
5 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
6 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
7 **the effective date, or to disapprove and annul a rule are subsequently held**
8 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
9 **after August 28, 2020, shall be invalid and void.**

10 **2. The provisions of section 23.253 of the Missouri sunset act shall not apply to**
11 **sections 135.730 to 135.738.**

✓