

1 SB201  
2 209838-1  
3 By Senator Butler  
4 RFD: Education Policy  
5 First Read: 09-FEB-21

SYNOPSIS: Under existing law, beneficiaries of the Alabama Prepaid Affordable College Tuition program (PACT) have 10 years after the date of college entrance to utilize benefits provided under the contract.

This bill would extend the contract period under the PACT Program from 10 years to 12 years.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Alabama Prepaid Affordable College Tuition Program; to amend Section 16-33C-7, Code of Alabama 1975; to extend the contract period for utilizing benefits under the PACT Program from 10 years to 12 years after the date of college entrance.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 16-33C-7, Code of Alabama 1975, is amended to read as follows:

1           "§16-33C-7.

2           "(a) Each PACT contract shall include, but shall not  
3 be limited to, the following terms:

4           "(1) The amount and the number of contract payments  
5 required from a purchaser on behalf of a designated  
6 beneficiary.

7           "(2) The terms and conditions under which purchasers  
8 shall remit contract payments, including, but not limited to,  
9 the date or dates upon which each contract payment shall be  
10 due.

11           "(3) Provisions for late payment charges and for  
12 default.

13           "(4) Provisions for withdrawal from the PACT  
14 Program, including refunds and any withdrawal penalty  
15 ~~therefor~~.

16           "(5) The name and date of birth of the designated  
17 beneficiary on whose behalf a contract is drawn.

18           "(6) Terms and conditions under which another person  
19 may be subsequently substituted for the designated beneficiary  
20 originally named.

21           "(7) The name of the person entitled to terminate  
22 the PACT contract, the terms and conditions under which a PACT  
23 contract may be terminated, and the name of the person  
24 entitled to any refund due as a result of termination of a  
25 PACT contract.

26           "(8) The period of time during which the designated  
27 beneficiary must claim benefits through the PACT Program.

1           "(9) The number of credit hours contracted for by  
2 the purchaser.

3           "(10) All other rights and obligations of the  
4 purchaser and the PACT Program.

5           "(11) ~~Such other~~ Other terms, conditions, and  
6 provisions ~~as~~ the board considers in its sole discretion to be  
7 necessary or appropriate.

8           "(b) In the event a designated beneficiary is  
9 accepted by and elects to attend a college or university  
10 outside the State of Alabama, the PACT board ~~shall~~, upon  
11 receipt of evidence of admission to the college or university,  
12 shall remit contract benefits pursuant to the terms of the  
13 PACT contract.

14           "(c) A PACT contract shall also specifically provide  
15 that, if after ~~ten~~ 12 years following the designated  
16 beneficiary's college entrance date or the actual entrance  
17 date of a designated beneficiary who is an accelerated  
18 student, neither the PACT contract has been terminated nor the  
19 designated beneficiary's rights under the contract exercised,  
20 the PACT board, after making reasonable effort to locate the  
21 purchaser, shall presume the contract purchase amount  
22 unclaimed and abandoned property, and thereafter administered  
23 in accordance with the Alabama Uniform Disposition of  
24 Unclaimed Property Act, Article 2 of Chapter 12 of Title 35.

25           "(d) Nothing in this chapter, nor in a PACT contract  
26 entered into pursuant to this chapter, shall be construed as a  
27 promise or guarantee by the PACT board or the state that: A

1 person shall be admitted to a particular college or  
2 university; or that a person shall be allowed to continue to  
3 attend a college or university after having been admitted; or  
4 that a person shall be graduated from a college or university;  
5 or that Alabama resident status shall be conferred. Each state  
6 college or university shall establish its own residency  
7 requirements for matriculation.

8 "(e) The state or any state agency, or any county,  
9 or municipality, or any other employer in the state is hereby  
10 authorized, by contract, or otherwise, to agree with any  
11 employee to remit contract payments through payroll deduction  
12 made by the appropriate official of the state, state agency,  
13 political subdivision, or other employer under the terms of an  
14 accepted PACT contract."

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