

APA-1
11/96

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 810 Department or Agency REVENUE

Rule Nos. 810-3-61-.05

Rule Title: Annual Report of Scholarship Granting Organizations (SGOs)

New; Amend; Repeal; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 6/20/13

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**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-61-.05

Rule Title: Annual Report of Scholarship Granting Organizations (SGOs)

New Amend Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
This rule is needed to provide guidance related to the Accountability Act of 2013.
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.
3. EFFECT OF THIS RULE ON COMPETITION:
N/A
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
N/A
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
N/A
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
Education Trust Fund, Department of Revenue budget
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
N/A
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
N/A
11. OTHER COMMENTS:
N/A

**ALABAMA DEPARTMENT OF REVENUE
Tax Policy & Research Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-3-61-.01	Definition of Terms and Phrases used in Connection with the Scholarship Program
810-3-61-.02	Credits for Contributions to Scholarship Granting Organizations (SGOs)
810-3-61-.03	Application of Scholarship Granting Organizations (SGOs) for Participation in the Scholarship Program
810-3-61-.04	Receipt, Maintenance and Disbursement of Scholarship Funds by Scholarship Granting Organizations (SGOs)
810-3-61-.05	Annual Report of Scholarship Granting Organizations (SGOs)
810-3-61-.06	Notice of Nonpublic School to DOR of its Intention to Participate in the Scholarship Program

INTENDED ACTION: Adopt new rules

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above new rules to provide guidance regarding the statutory requirements of the Alabama Accountability Act of 2013.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **9:00 a.m. on Thursday, August 8, 2013, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Thursday, August 8, 2013

CONTACT PERSON AT AGENCY:

Patricia Toles
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-3-61-.05 Annual Report of Scholarship Granting Organizations (SGOs) (NEW RULE)

(1) Scope. Act 2013-64, as amended by Act 2013-265, provides for SGOs to report certain information to the Department of Revenue in connection with its scholarship grants. This rule prescribes the required information, which shall be provided for the previous calendar year.

(2) The total number and total dollar amount of donations received. The actual individual donors and the amounts of their donations must be entered into the Department's system by the SGO as required by Rule 810-3-61-.04.

(3) The total number and total dollar amount of educational scholarships awarded (actually paid out) during the year.

(4) The name of the county in which the SGO expended the majority of its funds for educational scholarships during the year, and the percentage of low-income eligible students in the county.

(5) The total number and total dollar amount of educational scholarships awarded during the year to students qualifying for the federal free and reduced-price lunch program.

(6) The percentage of first-time scholarship recipients during the year who were enrolled in public school for the entire previous school year.

(7) The percentage of first-time scholarship recipients during the year who were enrolled in private school for the entire previous school year.

(8) A schedule reporting the following information for each student awarded an educational scholarship from the SGO:

- (a) The name and identifying information of the student,
- (b) The amount of the educational scholarship awarded for the student during the year,
- (c) The nonfailing or nonpublic school to which the scholarship grant was paid,
- (d) The county in which the school receiving the scholarship grant is located,
- (e) The name of the failing public school to which the student was assigned,
- (f) The dates of the academic year for which the student was first awarded an educational scholarship under the tax credit program,

(g) Whether the student was enrolled in a public or nonpublic school during the entire previous school year. Students enrolled in a public school as well as nonpublic school for a portion of the previous school year, should not be listed as being enrolled in either public or nonpublic school for the year. If the student was less than school age during the prior school year, the student should not be listed as being enrolled in either public or nonpublic school for the year,

(h) Whether the student is a low-income eligible student, for which documentation of family income is maintained as required in Rule 810-3-61-.04,

(i) Whether the student qualified for the federal free and reduced-price lunch program.

(9) A statement as to whether the SGO has received complaints of discrimination, and if so, a description of the action taken.

(10) A copy of the required annual Form 990.

(11) The aggregate amount of scholarship funds unaccounted for as of the end of the year.

(12) A reconciliation of scholarship funds unaccounted for as of the beginning of the calendar year to the amount held as of the end of the calendar year, as follows:

- (a) Unaccounted for scholarship funds, beginning of year,
- (b) Plus, interest and revenue from investment of scholarship funds,
- (c) Plus, scholarship donations received during the year,
- (d) Less, actual scholarship grants paid during the year,
- (e) Less, allowable non-scholarship expenditures made during the year,
- (f) Equals, unaccounted for scholarship funds, end of year.

Author: Curtis Stewart

Authority: Sections 40-2A-7(a)(5) and 16-16D-1, Code of Alabama 1975

History: