

REFERENCE TITLE: STOs; scholarships; corporate tax credits

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2014

Introduced by
Representative Livingston

AN ACT

AMENDING SECTIONS 43-1184, 43-1501, 43-1504, 43-1505, 43-1601 AND 43-1603,
ARIZONA REVISED STATUTES; RELATING TO SCHOOL TUITION ORGANIZATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1184, Arizona Revised Statutes, is amended to
3 read:

4 43-1184. Credit for contributions to school tuition
5 organization; displaced students; students with
6 disabilities

7 A. Beginning from and after June 30, 2009, a credit is allowed
8 against the taxes imposed by this title for the amount of voluntary cash
9 contributions made by the taxpayer during the taxable year to a school
10 tuition organization that is certified pursuant to chapter 15 of this
11 title at the time of donation.

12 B. The amount of the credit is the total amount of the taxpayer's
13 contributions for the taxable year under subsection A of this section and
14 is preapproved by the department of revenue pursuant to subsection D of
15 this section.

16 C. The department of revenue:

17 1. Shall not allow tax credits under this section and section
18 20-224.07 that exceed in the aggregate a combined total of \$5,000,000 in
19 any fiscal year through fiscal year 2020-2021. Beginning in fiscal year
20 2021-2022, the aggregate dollar amount of the tax credits allowed IN EACH
21 FISCAL YEAR is AS FOLLOWS:

22 (a) FOR FISCAL YEAR 2021-2022, \$6,000,000 ~~in any fiscal year~~.

23 (b) FOR FISCAL YEAR 2022-2023, \$10,000,000.

24 (c) FOR FISCAL YEAR 2023-2024, \$15,000,000.

25 (d) FOR FISCAL YEAR 2024-2025 AND EACH FISCAL YEAR THEREAFTER,
26 \$20,000,000.

27 2. Shall preapprove tax credits under this section and section
28 20-224.07 subject to subsection D of this section.

29 3. Shall allow the tax credits under this section and section
30 20-224.07 on a first-come, first-served basis.

31 D. For the purposes of subsection C, paragraph 2 of this section,
32 before making a contribution to a school tuition organization, the
33 taxpayer under this title or title 20 must notify the school tuition
34 organization of the total amount of contributions that the taxpayer
35 intends to make to the school tuition organization. Before accepting the
36 contribution, the school tuition organization shall request preapproval
37 from the department of revenue for the taxpayer's intended contribution
38 amount. The department of revenue shall preapprove or deny the requested
39 amount within twenty days after receiving the request from the school
40 tuition organization. If the department of revenue preapproves the
41 request, the school tuition organization shall immediately notify the
42 taxpayer that the requested amount was preapproved by the department of
43 revenue. In order to receive a tax credit under this subsection, the
44 taxpayer shall make the contribution to the school tuition organization
45 within twenty days after receiving notice from the school tuition

1 organization that the requested amount was preapproved. If the school
2 tuition organization does not receive the preapproved contribution from
3 the taxpayer within the required twenty days, the school tuition
4 organization shall immediately notify the department of revenue and the
5 department shall no longer include this preapproved contribution amount
6 when calculating the limit prescribed in subsection C, paragraph 1 of this
7 section.

8 E. If the allowable tax credit exceeds the taxes otherwise due
9 under this title on the claimant's income, or if there are no taxes due
10 under this title, the taxpayer may carry the amount of the claim not used
11 to offset the taxes under this title forward for not more than five
12 consecutive taxable years' income tax liability.

13 F. Co-owners of a business, including corporate partners in a
14 partnership and stockholders of an S corporation as defined in section
15 1361 of the internal revenue code, may each claim only the pro rata share
16 of the credit allowed under this section based on the ownership interest.
17 The total of the credits allowed all such owners may not exceed the amount
18 that would have been allowed a sole owner.

19 G. The credit allowed by this section is in lieu of any deduction
20 pursuant to section 170 of the internal revenue code and taken for state
21 tax purposes.

22 H. A taxpayer shall not claim a credit under this section and also
23 under section 43-1183 with respect to the same contribution.

24 I. The tax credit is not allowed if the taxpayer designates the
25 taxpayer's contribution to the school tuition organization for the direct
26 benefit of any specific student.

27 J. The department of revenue shall adopt rules necessary to
28 administer this section.

29 Sec. 2. Section 43-1501, Arizona Revised Statutes, is amended to
30 read:

31 43-1501. Definitions

32 In this chapter, unless the context otherwise requires:

33 1. "Allocate" includes reserving ~~money~~ MONIES for an award of a
34 multiyear educational scholarship or tuition grant for a specific student.

35 2. "Custodian" means a resident of this state who is a parent or an
36 authorized out-of-home care provider or, if none, the legal guardian of a
37 qualified student, as defined in section 43-1505.

38 3. "EDUCATIONAL SCHOLARSHIP OR TUITION GRANT" INCLUDES MONIES FOR
39 TUITION AND FEES AT A QUALIFIED SCHOOL AND ANY OF THE FOLLOWING EXPENSES
40 PURCHASED FROM OR THROUGH THE QUALIFIED SCHOOL:

41 (a) TEXTBOOKS REQUIRED BY A QUALIFIED SCHOOL.

42 (b) IF THE STUDENT IS EITHER IDENTIFIED AS HAVING A DISABILITY
43 UNDER SECTION 504 OF THE REHABILITATION ACT OF 1973 (29 UNITED STATES CODE
44 SECTION 794), IDENTIFIED BY A SCHOOL DISTRICT OR BY A LICENSED PHYSICIAN,
45 PSYCHIATRIST OR PSYCHOLOGIST AS A CHILD WITH A DISABILITY AS DEFINED IN

1 SECTION 15-731 OR 15-761 OR IS A CHILD WITH A DISABILITY WHO IS ELIGIBLE
2 TO RECEIVE SERVICES FROM A SCHOOL DISTRICT UNDER SECTION 15-763:

3 (i) EDUCATIONAL THERAPIES FROM A LICENSED OR ACCREDITED
4 PRACTITIONER OR PROVIDER, INCLUDING AND UP TO ANY AMOUNT NOT COVERED BY
5 INSURANCE IF THE EXPENSE IS PARTIALLY PAID BY A HEALTH INSURANCE POLICY
6 FOR THE QUALIFIED STUDENT.

7 (ii) SERVICES FROM A LICENSED OR ACCREDITED PARAPROFESSIONAL OR
8 EDUCATIONAL AIDE.

9 (iii) TUITION FOR VOCATIONAL AND LIFE SKILLS EDUCATION APPROVED BY
10 THE DEPARTMENT.

11 (iv) ASSOCIATED GOODS AND SERVICES, INCLUDING EDUCATIONAL AND
12 PSYCHOLOGICAL EVALUATIONS, ASSISTIVE TECHNOLOGY RENTALS AND BRAILLE
13 TRANSLATION GOODS AND SERVICES APPROVED BY THE DEPARTMENT.

14 (c) TUTORING OR TEACHING SERVICES PROVIDED BY AN INDIVIDUAL OR
15 FACILITY ACCREDITED BY A STATE, REGIONAL OR NATIONAL ACCREDITING
16 ORGANIZATION.

17 (d) CURRICULA AND SUPPLEMENTARY MATERIALS.

18 (e) TUITION OR FEES FOR A NONPUBLIC ONLINE LEARNING PROGRAM.

19 (f) FEES FOR A NATIONALLY STANDARDIZED NORM-REFERENCED ACHIEVEMENT
20 TEST, AN ADVANCED PLACEMENT EXAMINATION OR ANY EXAMS RELATED TO COLLEGE OR
21 UNIVERSITY ADMISSION.

22 (g) TUITION OR FEES AT AN ELIGIBLE POSTSECONDARY INSTITUTION AND
23 TEXTBOOKS REQUIRED BY AN ELIGIBLE POSTSECONDARY INSTITUTION. FOR THE
24 PURPOSES OF THIS SUBDIVISION, "ELIGIBLE POSTSECONDARY INSTITUTION" MEANS A
25 COMMUNITY COLLEGE AS DEFINED IN SECTION 15-1401, A UNIVERSITY UNDER THE
26 JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR AN ACCREDITED PRIVATE
27 POSTSECONDARY INSTITUTION.

28 (h) SERVICES PROVIDED BY A PUBLIC SCHOOL, INCLUDING INDIVIDUAL
29 CLASSES AND EXTRACURRICULAR PROGRAMS.

30 (i) UNIFORMS.

31 (j) PUBLIC TRANSPORTATION SERVICES IN THIS STATE, INCLUDING A
32 COMMUTER PASS FOR THE QUALIFIED STUDENT, OR TRANSPORTATION NETWORK
33 SERVICES AS DEFINED IN SECTION 28-9551 BETWEEN THE QUALIFIED STUDENT'S
34 RESIDENCE AND A QUALIFIED SCHOOL IN WHICH THE STUDENT IS ENROLLED.

35 (k) COMPUTER HARDWARE AND TECHNOLOGICAL DEVICES PRIMARILY USED FOR
36 AN EDUCATIONAL PURPOSE. FOR THE PURPOSES OF THIS SUBDIVISION, "COMPUTER
37 HARDWARE AND TECHNOLOGICAL DEVICES":

38 (i) INCLUDES CALCULATORS, PERSONAL COMPUTERS, LAPTOPS, TABLET
39 DEVICES, MICROSCOPES, TELESCOPES AND PRINTERS.

40 (ii) DOES NOT INCLUDE ENTERTAINMENT AND OTHER PRIMARILY
41 NONEDUCATIONAL DEVICES, INCLUDING TELEVISIONS, TELEPHONES, VIDEO GAME
42 CONSOLES AND ACCESSORIES, AND HOME THEATRE AND AUDIO EQUIPMENT.

43 ~~3.~~ 4. "Fiscal year" means the fiscal year of the state as
44 prescribed in section 35-102.

1 ~~4.~~ 5. "Qualified school" means a preschool that offers services to
2 students with disabilities, nongovernmental primary school or secondary
3 school that is located in this state and that does not discriminate on the
4 basis of race, color, disability, familial status or national origin and
5 that requires all teaching staff and personnel that have unsupervised
6 contact with students to be fingerprinted. Qualified school does not
7 include a charter school or programs operated by a charter school.

8 Sec. 3. Section 43-1504, Arizona Revised Statutes, is amended to
9 read:

10 43-1504. Special provisions: corporate donations for
11 low-income scholarships; rules

12 A. A school tuition organization that receives contributions from a
13 corporation for the purposes of section 20-224.06 or 43-1183 must use at
14 least ninety percent of those contributions to provide educational
15 scholarships or tuition grants only to children whose family income does
16 not exceed one hundred eighty-five percent of the income limit required to
17 qualify a child for reduced-price lunches under the national school lunch
18 and child nutrition acts (42 United States Code sections 1751
19 through 1793) and to whom any of the following applies:

20 ~~1. Attended a governmental primary or secondary school as a~~
21 ~~full-time student as defined in section 15-901 or attended a preschool~~
22 ~~program that offers services to students with disabilities at a~~
23 ~~governmental school for at least ninety days of the prior fiscal year or~~
24 ~~one full semester and transferred from a governmental school to a~~
25 ~~qualified school.~~

26 ~~2.~~ 1. Enroll in a qualified school in a kindergarten program, ~~or~~ a
27 preschool program that offers services to students with disabilities **OR**
28 **GRADES ONE THROUGH TWELVE.**

29 ~~3.~~ 2. Are the dependent of a member of the armed forces of the
30 United States who is stationed in this state pursuant to military orders.

31 ~~4.~~ 3. Are homeschooled before enrolling in a qualified school.

32 ~~5.~~ 4. Moved to this state from out of state before enrolling in a
33 qualified school.

34 ~~6.~~ 5. Participated in an Arizona empowerment scholarship account
35 and did not renew the account or accept the scholarship in order to accept
36 a scholarship or tuition grant under this section.

37 ~~7.~~ 6. Received an educational scholarship or tuition grant under
38 paragraph 1, 2, 3, ~~4,~~ **OR 5** ~~or 6~~ of this subsection or chapter 16, article
39 1 of this title if the children continue to attend a qualified school in a
40 subsequent year.

41 B. A child is eligible to receive an educational scholarship or
42 tuition grant under subsection A of this section if the child meets the
43 criteria to receive a reduced-price lunch but does not actually claim that
44 benefit.

1 C. In 2021, a school tuition organization shall not issue an
2 educational scholarship or a tuition grant for the purposes of section
3 20-224.06 or 43-1183 in an amount that exceeds \$5,600 for students who are
4 in a kindergarten program, a preschool program that offers services to
5 students with disabilities or grades one through eight or \$7,500 for
6 students who are in grades nine through twelve. In ~~each year after 2021~~
7 ~~2022~~, the limit amount for a scholarship or a grant under this subsection
8 shall be increased by \$200. BEGINNING IN 2023 AND IN EACH YEAR
9 THEREAFTER, THE AMOUNT OF AN EDUCATIONAL SCHOLARSHIP OR TUITION GRANT THAT
10 IS ISSUED BY A SCHOOL TUITION ORGANIZATION UNDER THIS SECTION SHALL NOT
11 EXCEED THE AMOUNT OF STATE AID THAT OTHERWISE WOULD BE COMPUTED FOR THE
12 STUDENT AS PROVIDED IN TITLE 15, CHAPTER 9, ARTICLE 5. ON REQUEST FROM A
13 SCHOOL TUITION ORGANIZATION, THE DEPARTMENT OF EDUCATION SHALL PROVIDE TO
14 THE SCHOOL TUITION ORGANIZATION IN A TIMELY MANNER THE AMOUNT COMPUTED FOR
15 THE STUDENT AS PROVIDED IN TITLE 15, CHAPTER 9, ARTICLE 5.

16 D. A school tuition organization shall require that student
17 beneficiaries use the educational scholarships or tuition grants on a
18 full-time basis. If a child leaves the school before completing an entire
19 school year, the school shall refund a prorated amount of the educational
20 scholarship or tuition grant to the school tuition organization that
21 issued the scholarship or grant. The school tuition organization shall
22 allocate any refunds it receives under this subsection for educational
23 scholarships or tuition grants.

24 E. Students who receive an educational scholarship or tuition grant
25 under this section shall be allowed to attend any qualified school of
26 their parents' choice.

27 F. The department of revenue, with the cooperation of the
28 department of insurance and financial institutions, shall adopt rules and
29 publish and prescribe forms and procedures necessary to administer this
30 section.

31 Sec. 4. Section 43-1505, Arizona Revised Statutes, is amended to
32 read:

33 43-1505. Special provisions; corporate donations for
34 displaced students and students with disabilities;
35 definition

36 A. A school tuition organization that receives contributions for
37 the purposes of section 20-224.07 or 43-1184 must use at least ninety ~~per~~
38 ~~cent~~ PERCENT of those contributions to provide educational scholarships or
39 tuition grants to qualified students.

40 B. The amount of an educational scholarship or ~~a~~ tuition grant
41 that is issued by a school tuition organization under this section shall
42 not exceed the ~~cost of tuition for the student to attend the qualified~~
43 ~~school or ninety per cent of the~~ amount of state aid that otherwise would
44 be computed for the student as provided in title 15, chapter 9, article
45 5, ~~whichever is less~~. On request from a school tuition organization, the

1 department of education shall provide to the school tuition organization
2 in a timely manner the amount computed for the student ~~under this~~
3 ~~subsection that represents the ninety per cent limitation prescribed in~~
4 ~~this subsection~~ AS PROVIDED IN TITLE 15, CHAPTER 9, ARTICLE 5.

5 C. A school tuition organization shall require that student
6 beneficiaries use the educational scholarships or tuition grants on a
7 full-time basis. If a child leaves the school before completing an entire
8 school year, the school shall refund a prorated amount of the educational
9 scholarship or tuition grant to the school tuition organization that
10 issued the scholarship or grant. The school tuition organization shall
11 allocate any refunds it receives under this subsection for educational
12 scholarships or tuition grants.

13 D. Qualified students who receive an educational scholarship or
14 tuition grant under this section shall be allowed to attend any qualified
15 school of their custodians' choice.

16 E. For the purposes of this section, "qualified student" means a
17 student, including a student who previously qualified for an educational
18 scholarship or tuition grant under this section and continues to attend a
19 qualified school, who has been either:

20 1. Placed in foster care pursuant to title 8, chapter 4 at any time
21 before the student graduates from high school or obtains a general
22 equivalency diploma.

23 2. Identified as having a disability under section 504 of the
24 rehabilitation act (29 United States Code section 794) or identified at
25 any time by a school district as a child with a disability as defined in
26 section 15-761 or a child with a disability who is eligible to receive
27 services from a school district under section 15-763.

28 Sec. 5. Section 43-1601, Arizona Revised Statutes, is amended to
29 read:

30 43-1601. Definitions

31 In this chapter, unless the context otherwise requires:

32 1. "Allocate" includes reserving ~~money~~ MONIES for an award of a
33 multiyear educational scholarship or tuition grant for a specific student.

34 2. "EDUCATIONAL SCHOLARSHIP OR TUITION GRANT" INCLUDES MONIES FOR
35 TUITION AND FEES AT A QUALIFIED SCHOOL AND ANY OF THE FOLLOWING EXPENSES
36 PURCHASED FROM OR THROUGH THE QUALIFIED SCHOOL:

37 (a) TEXTBOOKS REQUIRED BY A QUALIFIED SCHOOL.

38 (b) IF THE STUDENT IS EITHER IDENTIFIED AS HAVING A DISABILITY
39 UNDER SECTION 504 OF THE REHABILITATION ACT OF 1973 (29 UNITED STATES CODE
40 SECTION 794), IDENTIFIED BY A SCHOOL DISTRICT OR BY A LICENSED PHYSICIAN,
41 PSYCHIATRIST OR PSYCHOLOGIST AS A CHILD WITH A DISABILITY AS DEFINED IN
42 SECTION 15-731 OR 15-761 OR IS A CHILD WITH A DISABILITY WHO IS ELIGIBLE
43 TO RECEIVE SERVICES FROM A SCHOOL DISTRICT UNDER SECTION 15-763:

44 (i) EDUCATIONAL THERAPIES FROM A LICENSED OR ACCREDITED
45 PRACTITIONER OR PROVIDER, INCLUDING AND UP TO ANY AMOUNT NOT COVERED BY

1 INSURANCE IF THE EXPENSE IS PARTIALLY PAID BY A HEALTH INSURANCE POLICY
2 FOR THE QUALIFIED STUDENT.

3 (ii) SERVICES FROM A LICENSED OR ACCREDITED PARAPROFESSIONAL OR
4 EDUCATIONAL AIDE.

5 (iii) TUITION FOR VOCATIONAL AND LIFE SKILLS EDUCATION APPROVED BY
6 THE DEPARTMENT.

7 (iv) ASSOCIATED GOODS AND SERVICES, INCLUDING EDUCATIONAL AND
8 PSYCHOLOGICAL EVALUATIONS, ASSISTIVE TECHNOLOGY RENTALS AND BRAILLE
9 TRANSLATION GOODS AND SERVICES APPROVED BY THE DEPARTMENT.

10 (c) TUTORING OR TEACHING SERVICES PROVIDED BY AN INDIVIDUAL OR
11 FACILITY ACCREDITED BY A STATE, REGIONAL OR NATIONAL ACCREDITING
12 ORGANIZATION.

13 (d) CURRICULA AND SUPPLEMENTARY MATERIALS.

14 (e) TUITION OR FEES FOR A NONPUBLIC ONLINE LEARNING PROGRAM.

15 (f) FEES FOR A NATIONALLY STANDARDIZED NORM-REFERENCED ACHIEVEMENT
16 TEST, AN ADVANCED PLACEMENT EXAMINATION OR ANY EXAMS RELATED TO COLLEGE OR
17 UNIVERSITY ADMISSION.

18 (g) TUITION OR FEES AT AN ELIGIBLE POSTSECONDARY INSTITUTION AND
19 TEXTBOOKS REQUIRED BY AN ELIGIBLE POSTSECONDARY INSTITUTION. FOR THE
20 PURPOSES OF THIS SUBDIVISION, "ELIGIBLE POSTSECONDARY INSTITUTION" MEANS A
21 COMMUNITY COLLEGE AS DEFINED IN SECTION 15-1401, A UNIVERSITY UNDER THE
22 JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR AN ACCREDITED PRIVATE
23 POSTSECONDARY INSTITUTION.

24 (h) SERVICES PROVIDED BY A PUBLIC SCHOOL, INCLUDING INDIVIDUAL
25 CLASSES AND EXTRACURRICULAR PROGRAMS.

26 (i) UNIFORMS.

27 (j) PUBLIC TRANSPORTATION SERVICES IN THIS STATE, INCLUDING A
28 COMMUTER PASS FOR THE QUALIFIED STUDENT, OR TRANSPORTATION NETWORK
29 SERVICES AS DEFINED IN SECTION 28-9551 BETWEEN THE QUALIFIED STUDENT'S
30 RESIDENCE AND A QUALIFIED SCHOOL IN WHICH THE STUDENT IS ENROLLED.

31 (k) COMPUTER HARDWARE AND TECHNOLOGICAL DEVICES PRIMARILY USED FOR
32 AN EDUCATIONAL PURPOSE. FOR THE PURPOSES OF THIS SUBDIVISION, "COMPUTER
33 HARDWARE AND TECHNOLOGICAL DEVICES":

34 (i) INCLUDES CALCULATORS, PERSONAL COMPUTERS, LAPTOPS, TABLET
35 DEVICES, MICROSCOPES, TELESCOPES AND PRINTERS.

36 (ii) DOES NOT INCLUDE ENTERTAINMENT AND OTHER PRIMARILY
37 NONEDUCATIONAL DEVICES, INCLUDING TELEVISIONS, TELEPHONES, VIDEO GAME
38 CONSOLES AND ACCESSORIES, AND HOME THEATRE AND AUDIO EQUIPMENT.

39 ~~2.~~ 3. "Fiscal year" means the fiscal year of the state as
40 prescribed in section 35-102.

41 ~~3.~~ 4. "Qualified school" means a preschool that offers services to
42 students with disabilities, nongovernmental primary school or secondary
43 school that is located in this state and that does not discriminate on the
44 basis of race, color, disability, familial status or national origin and
45 that requires all teaching staff and personnel that have unsupervised

1 contact with students to be fingerprinted. Qualified school does not
2 include a charter school or programs operated by a charter school.

3 ~~4.~~ 5. "Students with disabilities" means students who have any of
4 the following conditions:

- 5 (a) A hearing impairment.
- 6 (b) A visual impairment.
- 7 (c) A developmental delay.
- 8 (d) A preschool severe delay.
- 9 (e) A speech/language impairment.

10 Sec. 6. Section 43-1603, Arizona Revised Statutes, is amended to
11 read:

12 43-1603. Operational requirements for school tuition
13 organizations; notice; qualified schools

14 A. A certified school tuition organization must be established to
15 receive contributions from taxpayers for the purposes of income tax
16 credits under sections 43-1089 and 43-1089.03 and to pay educational
17 scholarships or tuition grants to allow students to attend any qualified
18 school of their parents' choice.

19 B. To be eligible for certification and retain certification, the
20 school tuition organization:

21 1. Must allocate at least ninety percent of its annual revenue from
22 contributions made for the purposes of sections 43-1089 and 43-1089.03 for
23 educational scholarships or tuition grants.

24 2. Shall not limit the availability of educational scholarships or
25 tuition grants to only students of one school.

26 3. May allow donors to recommend student beneficiaries, but shall
27 not award, designate or reserve scholarships solely on the basis of donor
28 recommendations.

29 4. Shall not allow donors to designate student beneficiaries as a
30 condition of any contribution to the organization, or facilitate,
31 encourage or knowingly allow the exchange of beneficiary student
32 designations in violation of section 43-1089, subsection F, section
33 43-1089.03, subsection F and section 43-1089.04, subsection E.

34 5. Shall include on the organization's website, if one exists, the
35 percentage and total dollar amount of educational scholarships and tuition
36 grants awarded during the previous fiscal year to:

37 (a) Students whose family income meets the economic eligibility
38 requirements established under the national school lunch and child
39 nutrition acts (42 United States Code sections 1751 through 1793) for free
40 or reduced-price lunches.

41 (b) Students whose family income exceeds the threshold prescribed
42 by subdivision (a) of this paragraph but does not exceed one hundred
43 eighty-five percent of the economic eligibility requirements established
44 under the national school lunch and child nutrition acts (42 United States
45 Code sections 1751 through 1793) for free or reduced-price lunches.

1 this title if the student continues to attend a qualified school in a
2 subsequent year.

3 F. In awarding educational scholarships or tuition grants from
4 contributions made pursuant to section 43-1089.03, a school tuition
5 organization shall give priority to students and siblings of students on a
6 waiting list for scholarships if the school tuition organization maintains
7 a waiting list.

8 G. If an individual educational scholarship or tuition grant
9 exceeds the QUALIFIED school's COST OF tuition AND FEES AND EXPENSES
10 DESCRIBED IN SECTION 43-1601, PARAGRAPH 2 PURCHASED FROM OR THROUGH THE
11 QUALIFIED SCHOOL, the amount in excess shall be returned to the school
12 tuition organization that made the ~~award~~ EDUCATIONAL SCHOLARSHIP or
13 TUITION grant. The school tuition organization may allocate the returned
14 monies as a multiyear award for that student and report the award pursuant
15 to section 43-1604, subsection A, paragraph 5, subdivision (b) or may
16 allocate the returned monies for educational scholarships or tuition
17 grants for other students.