

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 996

Short Title: Top-Performing Students/UNC Tuition Scholar. (Public)

Sponsors: Representative Hawkins.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance, if favorable, Appropriations, Education, if favorable, Rules, Calendar, and Operations of the House

April 26, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE THE TOP-PERFORMING STUDENT/UNC TUITION
3 SCHOLARSHIP PROGRAM FOR ELIGIBLE STUDENTS ATTENDING
4 CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA AND
5 TO APPROPRIATE FUNDS FOR THAT PURPOSE.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 23 of Chapter 116 of the General Statutes is amended by adding
8 a new Part to read:

9 "Part 5. University of North Carolina Tuition Scholarships for Top-Performing Students.

10 **"§ 116-209.80. Tuition scholarships for top-performing students to attend UNC constituent**
11 **institutions.**

12 (a) Within the funds available for the program, the Authority shall annually award
13 Top-Performing Student/UNC Tuition Scholarships to eligible students to attend a constituent
14 institution of the University of North Carolina in an amount not to exceed the cost of tuition at
15 the constituent institution in which the student is enrolled per fall or spring academic semester
16 for a maximum of eight academic semesters. The Authority shall administer the tuition
17 scholarship provided for in this Part, pursuant to guidelines and procedures established by the
18 Authority consistent with its practices for administering State-funded financial aid. The
19 guidelines and procedures shall include an application process and schedule, notification and
20 disbursement procedures, standards for reporting, and standards for return of tuition scholarships
21 when a student withdraws. The Authority shall award scholarships to eligible students in the
22 order in which they are received.

23 (b) A student shall be eligible to receive a Top-Performing Student/UNC Tuition
24 Scholarship if the student meets all of the following requirements:

- 25 (1) In the school semester prior to enrolling in a constituent institution, the student
26 graduates from a public high school located in this State in the top ten percent
27 (10%) of the student's graduating class.
28 (2) Qualifies as a resident of this State for tuition purposes, as provided in Article
29 14 of Chapter 116 of the General Statutes.
30 (3) Gains admission as a student in a constituent institution in a curriculum
31 program.
32 (4) The student signs a letter of intent that the student will remain a resident of
33 North Carolina for at least four years following graduation from the
34 constituent institution for which the student received the scholarship.



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1 The Authority shall not approve any scholarship until it receives proper certification from the
2 appropriate constituent institution that the student applying for the scholarship is an eligible
3 student. Upon receipt of the certification, the Authority shall remit, at the times it prescribes, the
4 scholarship funds to the constituent institution on behalf and to the credit of the student. In the
5 event a student on whose behalf a tuition scholarship has been paid is not enrolled and carrying
6 a minimum academic load as of the tenth classroom day following the beginning of the school
7 term for which the tuition grant was paid, the constituent institution shall refund the full amount
8 of the tuition grant to the Authority.

9 (c) A scholarship awarded to an eligible student shall be annually renewed if the student
10 demonstrates all of the following:

11 (1) A cumulative 3.0 grade point average.

12 (2) Completion of a minimum of 30 semester credit hours by the end of the
13 academic year.

14 (d) No tuition scholarship awarded to a student under this section shall exceed the cost of
15 attendance at a constituent institution for which the student is enrolled. If a student, who is
16 eligible for a tuition scholarship under this section, also receives a scholarship or other grant
17 covering the cost of attendance at the constituent institution for which the tuition scholarship is
18 awarded, then the amount of the tuition scholarship shall be reduced by an appropriate amount
19 determined by the Authority so that the total amount of scholarships and grants received by the
20 student does not exceed the cost of attendance for the institution. The cost of attendance shall be
21 determined by the Authority for each constituent institution.

22 **"§ 116-209.81. North Carolina UNC Tuition Scholarship Fund Reserve.**

23 The North Carolina UNC Tuition Scholarship Fund Reserve shall be established as a reserve
24 to be administered by the Authority. All funds appropriated to or otherwise received by the
25 Authority to provide tuition scholarships under this Part, all returned tuition scholarship monies,
26 and all interest earned on these funds shall be placed in the Fund. The Fund shall be used for (i)
27 tuition scholarships for the academic year that begins in the fiscal year following the fiscal year
28 in which the appropriation is made to the Reserve and (ii) the administrative costs of the
29 Authority, provided that no more than five percent (5%) of the funds appropriated each fiscal
30 year for tuition scholarships is expended for administrative purposes."

31 **SECTION 2.** There is appropriated from the General Fund to the North Carolina
32 UNC Tuition Scholarship Fund Reserve established pursuant to G.S. 116-209.81, as enacted by
33 this act, the sum of one hundred seventy-four million eight hundred seventeen thousand eight
34 hundred dollars (\$174,817,800) in recurring funds for the 2019-2020 fiscal year for the purpose
35 of awarding tuition scholarships in accordance with this act.

36 **SECTION 3.(a)** G.S. 105-130.3 reads as rewritten:

37 **"§ 105-130.3. Corporations.**

38 A tax is imposed on the State net income of every C Corporation doing business in this State
39 at the rate of ~~two and one-half percent (2.5%)~~ three and fifteen one hundredths percent (3.15%).
40 An S Corporation is not subject to the tax levied in this section."

41 **SECTION 3.(b)** This section is effective for taxable years beginning on or after
42 January 1, 2019.

43 **SECTION 4.** Except as otherwise provided in this act, this act becomes effective
44 July 1, 2019, and applies beginning with the award of tuition scholarships for the 2020-2021
45 academic year.