

FIRST REGULAR SESSION

# HOUSE BILL NO. 498

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ROBB (Sponsor), HUBBARD, CUNNINGHAM (86), HOSKINS, JETTON, BEARDEN, DEMPSEY, DOUGHERTY, ICET, MEINERS, RUESTMAN, VILLA, NIEVES, HUGHES, COOPER (120), MUSCHANY, HUNTER, EL-AMIN, STEVENSON, JONES (117), SCHARNHORST, EMERY, DAVIS, SCHAAF, COOPER (158), PORTWOOD, NOLTE, ONDER, SCHOELLER AND COOPER (155) (Co-sponsors).

Read 1st time January 18, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

0408L.03I

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### AN ACT

To repeal section 163.036, RSMo, and to enact in lieu thereof nine new sections relating to educational tax credits, with an emergency clause.

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

Section A. Section 163.036, RSMo, is repealed and nine new sections enacted in lieu thereof, to be known as sections 135.611, 135.612, 135.614, 135.616, 135.618, 135.620, 135.622, 135.624, and 163.036, to read as follows:

**135.611. Sections 135.611 to 135.624 shall be known and may be cited as the "Milton Friedman 'Put Parents in Charge' Education Program".**

**135.612. As used in sections 135.611 to 135.624, the following terms mean:**

- (1) "Administrator", the administrator of the oversight organization;
- (2) "Director", the director of the department of economic development or a designated oversight organization;
- (3) "Educational assistance organization", a charitable organization registered in this state that is exempt from federal taxation under the Internal Revenue Code, as amended, is certified by the director, and that allocates all of its annual revenue with the exception of marketing and administrative expenses in subdivision (5) of section 135.616 derived from contributions for which a credit is claimed under this section for educational

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.

10 assistance and which does not provide scholarships to students of only one particular  
11 school;

12 (4) "Income eligible student":

13 (a) Any elementary or secondary school-aged student whose parents' or guardians'  
14 income is no more than one hundred eighty-five percent of the level that would make the  
15 student eligible for a reduced price school lunch under the National School Lunch Act, 42  
16 U.S.C. 1751 et seq., and resides in any district which is designated as unaccredited or  
17 provisionally or interim accredited under the Missouri school improvement program or  
18 successor program, or a student of school age who resides in such a district but who is not  
19 currently attending any school and who does not hold a high school diploma; and

20 (b) In any district, children age three or older with disabilities regardless of the  
21 parent's income if the disabled child's parents or guardians reside in Missouri and have  
22 unreimbursed medical expenses in excess of seven and one-half percent of federal adjusted  
23 gross income; or

24 (c) In any district, when identified by the principal and approved by the  
25 superintendent, any public school student who has been suspended at least two times for  
26 a total of at least twelve days or who has been expelled, any public school student scoring  
27 at the two lowest levels of proficiency on the statewide assessments administered under  
28 section 160.518, RSMo, or any public school student who has a GPA of one point nine or  
29 lower on a four-point scale;

30 (5) "Oversight organization", a charitable organization registered in this state that  
31 is exempt from federal taxation under the Internal Revenue Code, as amended, designated  
32 by the director to certify educational assistance organizations, approve applications for the  
33 tax credit allowed by this section, and coordinate with the director in administering the tax  
34 credit allowed by sections 135.611 to 135.624;

35 (6) "Qualified school", any elementary or secondary school which a child may  
36 attend to satisfy the requirements of section 167.031, RSMo, which does not discriminate  
37 on the basis of race, color, or national origin, and which complies with the requirements  
38 of sections 135.611 to 135.624;

39 (7) "Qualified student", an income eligible student who during the previous school  
40 year was enrolled in a state-funded public school in Missouri or who had received a  
41 scholarship as a qualified student and is not enrolled in the student's resident state-funded  
42 public school in the year in which the educational assistance organization is providing a  
43 scholarship to that student. The term qualified student shall include all income eligible  
44 kindergarten and first-grade students, and all income eligible school-aged students moving  
45 from outside the state;

46           (8) "Qualifying contribution", a donation of cash, stock, bonds, or other  
47 marketable securities for purposes of claiming a tax credit under this section;

48           (9) "State tax liability", any liability incurred by a taxpayer under chapters 143,  
49 147, and 153, RSMo, excluding withholding taxes under sections 143.191 to 143.265, RSMo,  
50 and related provisions;

51           (10) "Taxpayer", an individual subject to the state income tax imposed in chapter  
52 143, RSMo, an individual, a firm, a partner in a firm, corporation, or a shareholder in an  
53 S corporation doing business in this state and subject to the state income tax imposed by  
54 chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax  
55 imposed by chapter 147, RSMo, or an express company which pays an annual tax on its  
56 gross receipts in this state under chapter 153, RSMo.

          135.614. 1. For all tax years beginning on or after January 1, 2007, any taxpayer  
2 who makes contributions to an educational assistance organization may claim a credit  
3 against the tax otherwise due under chapter 143, RSMo, other than taxes withheld under  
4 sections 143.191 to 143.265, RSMo, and chapters 147 and 153, RSMo, in an amount equal  
5 to sixty-five percent of the amount the taxpayer contributed during the tax year for which  
6 the credit is claimed; except that, no taxpayer shall claim a credit under sections 135.611  
7 to 135.624 for any contribution made by the taxpayer, or an agent of the taxpayer, on  
8 behalf of the taxpayer's dependent, or in the case of a business taxpayer, on behalf of the  
9 business's agent's dependent. Any amount of contribution subtracted from federal  
10 adjusted gross income or federal taxable income shall be added back in the determination  
11 of Missouri adjusted gross income or Missouri taxable income before the credit can be  
12 claimed.

13           2. The amount of the tax credit claimed shall not exceed the amount of the  
14 taxpayer's state tax liability for the tax year that the credit is claimed. The department of  
15 economic development shall certify the tax credit amount to the taxpayer and to the  
16 department of revenue. Any amount of credit that the taxpayer is prohibited by sections  
17 135.611 to 135.624 from claiming in a tax year may be carried forward to any of the  
18 taxpayer's four subsequent taxable years. The tax credit authorized in sections 135.611 to  
19 135.624 shall be limited to those claims related to actual tax liabilities that are excluded  
20 from the definition of total state revenues in article X, section 17, Constitution of Missouri,  
21 which require no appropriation by the general assembly from the state treasury, and which  
22 serve the public purpose of providing educational opportunities for students under section  
23 135.616.

24           3. The cumulative amount of tax credits which may be allocated to all taxpayers  
25 contributing to an educational assistance organization in any one fiscal year shall not

26 exceed forty million dollars, which amount shall annually be adjusted for inflation based  
27 on the consumer price index for all Midwest urban consumers, or its successor index,  
28 hereinafter referred to as the "consumer price index". The director shall establish a  
29 procedure by which, from the beginning of the fiscal year until some point in time later in  
30 the fiscal year to be determined by the director, the cumulative amount of tax credits is  
31 apportioned among all nonprofit educational assistance organizations. To the maximum  
32 extent possible, the director shall establish the procedure described in this subsection in  
33 such a manner as to ensure that taxpayers can claim all the tax credits possible up to the  
34 cumulative amount of tax credits available for the fiscal year. The director shall certify to  
35 the educational assistance organizations the amount of eligible tax credits that can be taken  
36 by the organizations.

135.616. 1. The director shall classify an organization as an educational assistance  
2 organization if the organization qualifies as defined in this section and if the organization  
3 meets the following conditions:

4 (1) At least eighty percent of all qualifying contributions it receives during any  
5 given state fiscal year are allocated for the purpose of providing scholarships to any  
6 qualified student who attends a qualified school, and the organization gives priority in  
7 awarding scholarships to those students who demonstrate the greatest need for such  
8 scholarships. These needs may include but are not limited to:

9 (a) Children of inmates;

10 (b) Children from single-parent homes;

11 (c) Any student scoring at the two lowest levels of proficiency on the statewide  
12 assessments administered under section 160.518, RSMo;

13 (d) Any child of school age in foster care, or who is currently residing in a shelter  
14 or has been displaced from the child's lawful place of residence;

15 (e) Any child with a disability or any child assigned to a priority school in a low  
16 performing district as described in subdivision (4) of section 135.612. If a child transfers  
17 out of a qualified school into another qualified school, the remaining scholarship moneys  
18 shall be transferred with the student to be distributed to the new school, on a prorated  
19 basis. The remaining scholarship moneys shall revert back to the scholarship organization  
20 if a student transfers out of a qualified school into the student's resident public school.  
21 Scholarship moneys may be used to cover applicable tuition, transportation, textbooks,  
22 supplies, and other related educational or extracurricular expenses. Any qualifying  
23 contributions not required to be allocated in accordance with this subdivision may be used  
24 to provide scholarships for income eligible students who attend qualified schools or may  
25 be used for the purposes set forth in subdivision (3) of this subsection;

26           (2) The organization does not provide scholarships to qualified students that exceed  
27 an average of five thousand dollars each school year, which amount shall annually be  
28 adjusted for inflation based on the Consumer Price Index rounded up to the nearest fifty  
29 dollar increment, except that the educational assistance organization may award  
30 scholarships to children with disabilities who are age three or older and defined as an  
31 income-eligible student in any amount that is substantially comparable to the amount that  
32 would have been paid for comparable services for the education of such child, and except  
33 that scholarships may be awarded in amounts in excess of the limitation for nondisabled  
34 students, which amount shall annually be adjusted for inflation based on the Consumer  
35 Price Index, if the increased amount of any such scholarships is offset by a reduction in the  
36 funding described in subdivision (3) of this subsection;

37           (3) An educational assistance organization may allocate up to twenty percent of any  
38 qualifying contributions it receives during any given state fiscal year that are not required  
39 to be allocated under subdivisions (1) and (2) of this subsection to directly assist any  
40 income eligible student who attends such student's resident public school in defraying the  
41 costs of private instructional assistance, including any related private educational supplies;  
42 for offsetting fees for out-of-school educational programs; for apprenticeship programs;  
43 for scholarship assistance for dropouts to pursue a GED or its equivalent; for grants for  
44 public school academic or extracurricular programs, for income eligible or qualified  
45 students to attend a qualified school, even in excess of the limitations in subdivision (2) of  
46 this subsection, for transportation of an income eligible student to a public school when  
47 such transportation is not already state-reimbursed, and for students participating in a  
48 voluntary desegregation transfer plan to supplement the tuition payment supplied by the  
49 desegregation transfer plan;

50           (4) All interest accruing from contributions shall be used for educational assistance;

51           (5) All marketing and administrative expenses for the educational assistance  
52 organization shall be no more than ten percent for the first one hundred thousand dollars;  
53 eight percent for the next four hundred thousand dollars; six percent for the next five  
54 hundred thousand dollars; and three percent thereafter of the qualifying contributions it  
55 raises; and

56           (6) No credits may be awarded until students have been identified as either income-  
57 eligible or qualified students and potential vacancies identified, or until students have been  
58 placed.

59           2. An educational assistance organization shall report annually to the director the  
60 names of the participating qualified schools and scholarship recipients. Classification as  
61 an educational assistance organization shall continue from year to year upon submission

62 of required information under sections 135.611 to 135.624, in the absence of credible  
63 evidence of fraud or abuse. The director shall establish procedures to prevent the issuance  
64 of duplicate scholarships.

135.618. 1. The director shall establish a procedure by which a taxpayer can  
2 determine if an organization has been classified as an educational assistance organization,  
3 and by which taxpayers can claim the tax credit under sections 135.611 to 135.624.

4 2. The director shall provide a consistent format for profiles of qualified schools,  
5 to be posted on the department's web site, containing the following information:

6 (1) Link to the qualified school's web site, if applicable;

7 (2) Mission statement, years of operation, academic and extracurricular program,  
8 and types of students served;

9 (3) Education, credentials, qualifications, and experience of teaching and  
10 administrative staff;

11 (4) The most recent year's scores from an assessment administered under  
12 subsection 3 of this section and the results of the most recent year's parental satisfaction  
13 survey administered under this section; and

14 (5) Names of educational assistance organizations supplying scholarships to the  
15 school.

16 3. The director shall ensure that the qualified schools, excluding home schools that  
17 are required to meet the requirements of section 167.031, RSMo, and excluding public  
18 schools outside the qualified students' district of residence, meet the following  
19 accountability requirements before receiving scholarship funds:

20 (1) Filing of a statement of intent to participate that includes the information listed  
21 in subdivisions (1), (2), and (3) of subsection 2 of this section;

22 (2) For initial applicants, a listing of the information required under subsection 2  
23 of this section, and for requalifying schools, annual reporting of the information required  
24 under subsection 2 of this section. No public reporting of information required under  
25 sections 135.611 to 135.624 shall be personally identifiable to an individual student;

26 (3) Fiscal soundness as evidenced by three years in existence, a surety bond, or  
27 letter of credit covering the amount of funds received on behalf of scholarship recipients  
28 under sections 135.611 to 135.624 or accreditation;

29 (4) Accreditation by a regional or national accrediting agency or for a school that  
30 is not currently accredited, provisional approval pending the achievement of accreditation  
31 no later than the fourth school year of participation;

(5) Criminal background check for the owner or operator and all personnel with direct student contact, unless the owner, operator, or other person has successfully completed a background check within the previous twelve months;

(6) Administration of the statewide assessments under section 160.518, RSMo, a nationally recognized norm-referenced assessment, or an assessment of educational functioning level for adult basic education that meets the guidelines for the national reporting system for adult education and literacy, such as but not limited to, the test for adult basic education, for all scholarship students except those whose individualized education plan specifies such assessment would not be appropriate, provided that such assessments or tests shall not be required to be given more frequently in a grade than the statewide assessments are given;

(7) Annual administration of a parental satisfaction survey; and

(8) Evidence of the annual transmittal of the information required by subsection 2 of this section and this subsection to parents and evidence of its availability to applicants.

4. Notwithstanding the accountability requirements of subsection 3 of this section, pupils who are home schooled under section 167.031, RSMo, may receive a scholarship under sections 135.611 to 135.624 up to the amount of money spent on educational expenses, excluding any payment to the pupil's parent or guardian for instructional services.

5. The results of the assessments administered in subdivision (6) of subsection 3 of this section shall be compiled annually by the director, and reported to the governor and general assembly.

6. Qualified students shall initially select a school in any district that is neither unaccredited nor provisionally accredited and which is located adjacent to a district described in subdivision (4) of section 136.612 or within twenty miles of a qualified student's place of residence at the time of the student's application, if any such district has opted to accept qualified students. Such districts shall follow the procedure in subsection 5 of section 135.624 to declare their intent to participate. Such district shall have the right of first acceptance of the qualified student. If the district declines to accept the applicant, the applicant may then select from any qualified school. The director shall establish procedures to accomplish this right of first acceptance in a timely manner.

135.620. Qualified schools shall have on record a form signed by the parent or guardian of the scholarship recipients agreeing to the release of the following information to the director:

(1) The student's participation as a scholarship recipient under sections 135.611 to 135.624;

6           (2) Testing results under section 160.518, RSMo; and

7           (3) The parental satisfaction survey.

8

9   As a condition of participation, the parents, guardians, and scholarship recipients under  
10 sections 135.611 to 135.624 shall agree to abide by the code of conduct and any parental  
11 involvement requirements unless the qualifying school agrees to a waiver of any  
12 requirements.

          135.622. The funding authorized in sections 135.611 to 135.624 shall be considered  
2 private, voluntary, nongovernmental funding. The providing of assistance by an  
3 educational assistance organization shall not be construed to be a public appropriation or  
4 the providing of public assistance to any school.

          135.624. 1. The director may enter into a contract with an oversight organization  
2 located in the state of Missouri for the purpose of administering sections 135.611 to  
3 135.624. An oversight organization shall be subject to an audit by the director. To qualify  
4 for designation, an oversight organization shall:

5           (1) Have the administrative capability to promote the success of the tax credit  
6 allowed by sections 135.611 to 135.624 by recruiting and coordinating activities with all  
7 interested educational assistance organizations in this state and certifying those educational  
8 assistance organizations that meet the certification criteria set forth in section 135.616;

9           (2) Demonstrate the ability to handle large volumes of and amounts of financial  
10 transactions, have not filed for bankruptcy and be able to resolve Internal Revenue Service  
11 compliance issues;

12           (3) Review the staff qualifications, evaluate fund-raising capabilities, and confirm  
13 tax-exempt status of the educational assistance organizations;

14           (4) Create a standardized application for use by nonprofit educational assistance  
15 organizations; and

16           (5) Produce an annual report for the general assembly.

17           2. The director shall encourage newly opened schools established to meet the needs  
18 of students receiving scholarships under sections 135.611 to 135.624 to locate such schools  
19 in provisionally accredited or unaccredited districts.

20           3. The oversight organization or the department of economic development if an  
21 oversight organization is not selected shall receive no more than two percent of the  
22 qualifying contributions for marketing and administrative expenses or the costs incurred  
23 in administering the program, whichever is less. The director shall establish procedures  
24 to ensure the percentage of funds for administration of the program is directed to the  
25 oversight organization or the department of economic development in a timely manner



26 with the necessary information to verify the correct amount has been transmitted. The  
27 remaining funds shall be distributed to the educational assistance organizations for student  
28 scholarships.

29 4. Sections 135.611 to 135.624 are subject to the provisions of section 1.140, RSMo.  
30 The department of revenue and the department of economic development may promulgate  
31 rules and regulations for the administration of sections 135.611 to 135.624. Any rule or  
32 portion of a rule, as that term is defined in section 536.010, RSMo, that is created under  
33 the authority delegated in sections 135.611 to 135.624 shall become effective only if it  
34 complies with and is subject to all of the provisions of chapter 536, RSMo, and, if  
35 applicable, section 536.028, RSMo. Sections 135.611 to 135.624 and chapter 536, RSMo,  
36 are nonseverable and if any of the powers vested with the general assembly pursuant to  
37 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule  
38 are subsequently held unconstitutional, then the grant of rulemaking authority and any  
39 rule proposed or adopted after August 28, 2007, shall be invalid and void.

40 5. Any school district that is not explicitly made eligible for the program through  
41 the definitions in section 135.612 may opt to participate in the program authorized in  
42 sections 135.611 to 135.624 upon the adoption of a resolution by a majority of the school  
43 board members present and the submission of the resolution to the departments of  
44 elementary and secondary education and economic development.

45 6. A qualified student whose eligibility for a scholarship is based upon residence  
46 in a provisionally accredited or an unaccredited district shall continue to be eligible despite  
47 subsequent changes in the residence district's accreditation status.

48 7. The school district shall notify the parents or guardians of any student who  
49 attends a public school in a provisionally accredited or unaccredited district, or of any  
50 student in any district who has been identified by the principal or superintendent under  
51 paragraph (c) of subdivision (4) of section 135.612, that the student may be eligible for a  
52 scholarship under sections 135.611 to 135.624.

53 8. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

54 (1) The provisions of the new program authorized under sections 135.611 to  
55 135.624 shall automatically sunset six years after the effective date of these sections, unless  
56 reauthorized by an act of the general assembly; and

57 (2) If such program is reauthorized, the program authorized under sections 135.611  
58 to 135.624 shall automatically sunset twelve years after the effective date of the  
59 reauthorization of these sections; and

60           **(3) Sections 135.611 to 135.624 shall terminate on September first of the calendar**  
61 **year immediately following the calendar year in which the program authorized under these**  
62 **sections is sunset.**

63           **9. If the scholarship program sunsets as provided in subsection 6 of this section,**  
64 **students receiving scholarships at the time the program is sunset shall continue to receive**  
65 **such scholarship moneys until completion of the twelfth grade.**

163.036. 1. In computing the amount of state aid a school district is entitled to receive  
2 for the minimum school term only under section 163.031, a school district may use an estimate  
3 of the weighted average daily attendance for the current year, or the weighted average daily  
4 attendance for the immediately preceding year or the weighted average daily attendance for the  
5 second preceding school year, whichever is greater, **except that the weighted average daily**  
6 **attendance count shall be adjusted such that no school district shall receive state aid for**  
7 **any pupil who is no longer enrolled in the school district as the result of using the proceeds**  
8 **of an educational scholarship to transfer to a qualified school under sections 135.611 to**  
9 **135.624, RSMo.** Beginning with the 2006-07 school year, the summer school attendance  
10 included in the average daily attendance as defined in subdivision (2) of section 163.011 shall  
11 include only the attendance hours of pupils that attend summer school in the current year.  
12 Beginning with the 2004-05 school year, when a district's official calendar for the current year  
13 contributes to a more than ten percent reduction in the average daily attendance for kindergarten  
14 compared to the immediately preceding year, the payment attributable to kindergarten shall  
15 include only the current year kindergarten average daily attendance. Any error made in the  
16 apportionment of state aid because of a difference between the actual weighted average daily  
17 attendance and the estimated weighted average daily attendance shall be corrected as provided  
18 in section 163.091, except that if the amount paid to a district estimating weighted average daily  
19 attendance exceeds the amount to which the district was actually entitled by more than five  
20 percent, interest at the rate of six percent shall be charged on the excess and shall be added to the  
21 amount to be deducted from the district's apportionment the next succeeding year.

22           2. Notwithstanding the provisions of subsection 1 of this section or any other provision  
23 of law, the state board of education shall make an adjustment for the immediately preceding year  
24 for any increase in the actual weighted average daily attendance above the number on which the  
25 state aid in section 163.031 was calculated. Said adjustment shall be made in the manner  
26 providing for correction of errors under subsection 1 of this section.

27           3. Any error made in the apportionment of state aid because of a difference between the  
28 actual equalized assessed valuation for the current year and the estimated equalized assessed  
29 valuation for the current year shall be corrected as provided in section 163.091, except that if the  
30 amount paid to a district estimating current equalized assessed valuation exceeds the amount to

31 which the district was actually entitled, interest at the rate of six percent shall be charged on the  
32 excess and shall be added to the amount to be deducted from the district's apportionment the next  
33 succeeding year.

34 4. For the purposes of distribution of state school aid pursuant to section 163.031, a  
35 school district with ten percent or more of its assessed valuation that is owned by one person or  
36 corporation as commercial or personal property who is delinquent in a property tax payment may  
37 elect, after receiving notice from the county clerk on or before March fifteenth that more than  
38 ten percent of its current taxes due the preceding December thirty-first by a single property owner  
39 are delinquent, to use in the local effort calculation of the state aid formula the district's  
40 equalized assessed valuation for the preceding year or the actual assessed valuation of the year  
41 for which the taxes are delinquent less the assessed valuation of property for which the current  
42 year's property tax is delinquent. To qualify for use of the actual assessed valuation of the year  
43 for which the taxes are delinquent less the assessed valuation of property for which the current  
44 year's property tax is delinquent, a district must notify the department of elementary and  
45 secondary education on or before April first, except in the year enacted, of the current year  
46 amount of delinquent taxes, the assessed valuation of such property for which delinquent taxes  
47 are owed and the total assessed valuation of the district for the year in which the taxes were due  
48 but not paid. Any district giving such notice to the department of elementary and secondary  
49 education shall present verification of the accuracy of such notice obtained from the clerk of the  
50 county levying delinquent taxes. When any of the delinquent taxes identified by such notice are  
51 paid during a four-year period following the due date, the county clerk shall give notice to the  
52 district and the department of elementary and secondary education, and state aid paid to the  
53 district shall be reduced by an amount equal to the delinquent taxes received plus interest. The  
54 reduction in state aid shall occur over a period not to exceed five years and the interest rate on  
55 excess state aid not refunded shall be six percent annually.

56 5. If a district receives state aid based on equalized assessed valuation as determined by  
57 subsection 4 of this section and if prior to such notice the district was paid state aid pursuant to  
58 section 163.031, the amount of state aid paid during the year of such notice and the first year  
59 following shall equal the sum of state aid paid pursuant to section 163.031 plus the difference  
60 between the state aid amount being paid after such notice minus the amount of state aid the  
61 district would have received pursuant to section 163.031 before such notice. To be eligible to  
62 receive state aid based on this provision the district must levy during the first year following such  
63 notice at least the maximum levy permitted school districts by article X, section 11(b) of the  
64 Missouri Constitution and have a voluntary rollback of its tax rate which is no greater than one  
65 cent per one hundred dollars assessed valuation.

Section B. Because of the immediate need to assist students in certain school districts,  
2 the enactment of section A of this act is deemed necessary for the immediate preservation of the  
3 public health, welfare, peace and safety, and is hereby declared to be an emergency act within  
4 the meaning of the constitution, and the enactment of section A of this act shall be in full force  
5 and effect upon its passage and approval or July 1, 2007, whichever later occurs.

✓