

**House Study Bill 542 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COLLEGE STUDENT  
AID COMMISSION BILL)

**A BILL FOR**

1 An Act relating to schools that are required to register with  
2 the college student aid commission.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261B.4, subsection 4, Code 2022, is  
2 amended to read as follows:

3 4. The refund policy of the school for the return of  
4 refundable portions of tuition, fees, or other charges.  
5 The tuition refund policy for Iowa resident students of a  
6 for-profit school ~~with at least one program of more than four~~  
7 ~~months in length that leads~~ that offers a course of instruction  
8 leading to a recognized educational credential, such as an  
9 academic or professional degree, diploma, or license, must  
10 comply with [section 714.23](#).

11 Sec. 2. Section 261B.11, subsection 1, paragraph f, Code  
12 2022, is amended by striking the paragraph and inserting in  
13 lieu thereof the following:

14 *f.* A community college established under chapter 260C or an  
15 institution of higher learning under the control of the board  
16 of regents.

17 Sec. 3. Section 261B.11, subsection 1, paragraphs n and o,  
18 Code 2022, are amended by striking the paragraphs.

19 Sec. 4. Section 261B.11, subsection 2, paragraph b, Code  
20 2022, is amended to read as follows:

21 *b.* A for-profit school ~~with at least one program of more~~  
22 ~~than four months in length that leads~~ that offers a course of  
23 instruction leading to a recognized educational credential,  
24 such as an academic or professional degree, diploma, or  
25 license, must submit to the commission a tuition refund policy  
26 that meets the conditions of [section 714.23](#).

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with  
29 the explanation's substance by the members of the general assembly.

30 This bill relates to schools that are required to register  
31 with the college student aid commission.

32 The bill requires that the tuition refund policy for Iowa  
33 resident students of a for-profit school governed by Code  
34 chapter 261B that offers a course of instruction leading to a  
35 recognized educational credential must comply with Code section

1 714.23, which provides standards for refund policies and  
2 penalties for violating those standards. A violation of Code  
3 section 714.23 is a simple misdemeanor. A simple misdemeanor  
4 is punishable by confinement for no more than 30 days and a  
5 fine of at least \$105 but not more than \$855. The bill requires  
6 the school to submit the refund policy to the college student  
7 aid commission.

8 Under current law, the provisions of Code chapter 261B  
9 do not apply to colleges and universities authorized by the  
10 laws of this state to grant degrees. The bill strikes this  
11 exception and replaces it with an exception for community  
12 colleges established under Code chapter 260C and institutions  
13 of higher learning under the control of the board of regents.  
14 Additionally, under current law, the provisions of Code  
15 chapter 261B do not apply to either a postsecondary educational  
16 institution established in Bettendorf in 1969 to prepare  
17 students for the federal communications commission radio  
18 broadcasting examination or a school of religious study located  
19 in Iowa that was established in Spain in 1982, is affiliated  
20 with the department of global missions of open bible churches,  
21 grants bachelor's degrees, and is accredited by a nationally  
22 recognized accrediting agency. The bill strikes these  
23 exceptions.