

Senate Engrossed

private postsecondary education; nondomiciled institutions

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **SENATE BILL 1210**

AN ACT

AMENDING SECTIONS 32-3001, 32-3021 AND 32-3022, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 30, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-3024; AMENDING SECTIONS 32-3071, 32-3072 AND 32-3075, ARIZONA REVISED STATUTES; RELATING TO PRIVATE POSTSECONDARY EDUCATION INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-3001, Arizona Revised Statutes, is amended to  
3 read:

4 32-3001. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Accredited" means accredited by an accrediting agency ~~THAT IS~~  
7 recognized by the United States department of education.

8 2. "Board" means the state board for private postsecondary  
9 education.

10 3. "Degree" means an academic degree or honorary degree or the  
11 title of any designation, mark, appellation, series of letters or words,  
12 including associate, bachelor, master, doctor or fellow, ~~which THAT~~  
13 signifies, purports to signify or is generally taken to signify  
14 satisfactory completion of the requirements of an educational program of  
15 study beyond the secondary school level or ~~which THAT~~ is an honorary title  
16 conferred for recognition of some meritorious achievement.

17 4. "Grant" means ~~TO~~ award, bestow, confer, convey or sell.

18 ~~5. "Operate" means to establish, keep, maintain or utilize a~~  
19 ~~physical facility, location or mailing address in this state where, from~~  
20 ~~which or through which students are procured for private vocational or~~  
21 ~~private degree programs, private vocational or private degree programs are~~  
22 ~~offered or private vocational credentials or private degrees are offered~~  
23 ~~or granted and includes contracting for the performance of any of these~~  
24 ~~acts.~~

25 5. "OPERATE" MEANS TO EITHER:

26 (a) ESTABLISH AND MAINTAIN A PHYSICAL PRESENCE IN THIS STATE,  
27 INCLUDING A FACILITY, LOCATION OR MAILING ADDRESS, AND AN IN-STATE  
28 DIRECTOR.

29 (b) PROVIDE POSTSECONDARY EDUCATION THROUGH ONLINE DISTANCE  
30 EDUCATION TO A PERSON WHO RESIDES IN THIS STATE IF THE INSTITUTION IS NOT  
31 A PARTICIPANT IN THE NATIONAL COUNCIL FOR STATE AUTHORIZATION RECIPROCIY  
32 AGREEMENTS.

33 6. "Private vocational program" means an instructional program  
34 ~~which THAT~~ includes a course or group of courses as defined in section  
35 15-101 for which a student does not earn a degree, ~~and which THAT~~ is  
36 designed to provide or is advertised as providing a student with  
37 sufficient skills for entry into a paid occupation, and ~~which THAT~~ is not  
38 conducted solely by a public school, public community college or public  
39 university.

40 7. "OUT-OF-STATE REGISTRATION" MEANS AN AUTHORIZATION ISSUED BY THE  
41 BOARD TO A PRIVATE POSTSECONDARY EDUCATION INSTITUTION DOMICILED OUTSIDE  
42 OF THIS STATE THAT ENROLLS A RESIDENT OF THIS STATE IN AN ONLINE PROGRAM  
43 WHEN THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS NOT A PARTICIPANT  
44 IN THE NATIONAL COUNCIL FOR STATE AUTHORIZATION RECIPROCIY AGREEMENT.

1           Sec. 2. Section 32-3021, Arizona Revised Statutes, is amended to  
2 read:

3           32-3021. Private vocational program license; qualifications;  
4                                   provision of information; exemptions

5           A. A person shall not operate, AS DEFINED IN SECTION 32-3001,  
6 PARAGRAPH 5, SUBDIVISION (a), a private vocational program unless the  
7 person holds a private vocational program license issued pursuant to this  
8 chapter. Each program offered by a private vocational program licensee  
9 shall be authorized on a private vocational program license. The board  
10 shall prescribe the manner in which the PRIVATE VOCATIONAL programs are  
11 identified on the license.

12           B. A PERSON SHALL NOT OPERATE, AS DEFINED IN SECTION 32-3001,  
13 PARAGRAPH 5, SUBDIVISION (b), A PRIVATE VOCATIONAL PROGRAM UNLESS THE  
14 PERSON HOLDS AN OUT-OF-STATE REGISTRATION ISSUED PURSUANT TO SECTION  
15 32-3024.

16           ~~B.~~ C. An applicant for a LICENSE TO OPERATE, AS DEFINED IN SECTION  
17 32-3001, PARAGRAPH 5, SUBDIVISION (a), A private vocational program  
18 ~~license~~ shall meet all of the following requirements:

- 19           1. Furnish a letter of credit, surety bond or cash deposit as  
20 provided in section 32-3023.
- 21           2. Make specific information concerning educational programs,  
22 including statements of purpose, objectives, course of study, policies,  
23 fees and other pertinent information, available to prospective students  
24 and the general public.
- 25           3. Be financially responsible and have management capability.
- 26           4. Maintain a qualified faculty.
- 27           5. Maintain facilities, equipment and materials that are  
28 appropriate for the stated program. All facilities shall meet applicable  
29 state and local health and safety laws.
- 30           6. Maintain appropriate records as the board prescribes that are  
31 properly safeguarded and preserved.
- 32           7. Use only advertisements that are consistent with the information  
33 made available as provided in paragraph 2 of this subsection.
- 34           8. Provide courses of instruction that meet stated objectives.
- 35           9. Provide a grievance procedure for students.
- 36           10. Comply with all federal and state laws relating to the  
37 operation of a private postsecondary educational institution.
- 38           11. Other requirements the board deems necessary.

39           ~~C.~~ D. An applicant for a private vocational program license shall  
40 submit evidence of meeting the requirements prescribed in subsection ~~B~~ C  
41 of this section to the board. The board shall verify the evidence  
42 submitted. Verification shall include on-site verification.

43           ~~D.~~ E. The filing of an application grants the board the authority  
44 to obtain information from any of the following:

- 1           1. A licensing board or agency in any state, district, territory or  
2 county of the United States or any foreign country.
- 3           2. The Arizona criminal justice information system as defined in  
4 section 41-1750.
- 5           3. The federal bureau of investigation.
- 6           ~~E.~~ F. The board, on application, may issue a private vocational  
7 program license to a new educational institution as provided in this  
8 section, except that the board shall establish separate minimum standards  
9 for licensure requirements of new educational institutions. These minimum  
10 standards may include the modification of licensure requirements as  
11 provided in subsection ~~B~~ C, paragraphs 3, 5, 6, 7 and 8 of this section  
12 to meet the circumstances of new educational institutions. The board, on  
13 application, may issue a private vocational program license to an  
14 educational institution that is otherwise exempt under subsection ~~F~~ G of  
15 this section. The board shall monitor the new educational institution to  
16 ensure compliance with the licensure requirements. The board shall issue  
17 a private vocational program license as provided in this subsection one  
18 time only to new educational institutions.
- 19           ~~F.~~ G. This section does not apply to any of the following:
- 20           1. A school licensed pursuant to chapter 5 of this title.
- 21           2. An instructional program or course sponsored by a bona fide  
22 trade association solely for its members.
- 23           3. Privately owned academic schools engaged in the process of  
24 general education that is designed to produce a level of development  
25 equivalent to that necessary to meet the requirements for entrance into a  
26 public community college or public university in this state and that may  
27 incidentally offer technical and vocational courses as part of the  
28 curriculum.
- 29           4. Schools or private instruction conducted by any person engaged  
30 in training, tutoring or teaching individuals or groups, if the  
31 instruction is related to hobbies, avocations, academic improvement or  
32 recreation and may only incidentally lead to gainful employment.
- 33           5. Schools conducted by any person solely for training the person's  
34 own employees.
- 35           6. An instructional program or course offered solely for employees  
36 and for the purpose of improving the employees in their employment if both  
37 of the following apply:
- 38           (a) The employee is not charged a fee.
- 39           (b) The employer provides or funds the program or course pursuant  
40 to a valid written contract between the employer and a program or course  
41 provider.
- 42           7. Training conducted pursuant to 14 Code of Federal Regulations  
43 part 141.

1           8. A school that solely provides an instructional program for  
2 certified nursing assistants and licensed nursing assistants and that is  
3 licensed by the nursing board pursuant to section 32-1606, subsection B,  
4 paragraph 11.

5           9. A professional driving training school licensed by the  
6 department of transportation pursuant to chapter 23, articles 1, 2 and 3  
7 of this title.

8           10. A training program approved by the board of examiners of  
9 nursing care institution administrators and assisted living facility  
10 managers that solely provides training for managers and caregivers of  
11 assisted living facilities.

12           11. A yoga teacher training course or program or a yoga  
13 instructional course or program.

14           12. A private instructional program or course that is less than  
15 forty contact hours in length and that charges a fee of less than  
16 \$1,000. For the purposes of this paragraph, "contact hour" means a  
17 fifty-minute session of scheduled in-class or online instruction.

18           Sec. 3. Section 32-3022, Arizona Revised Statutes, is amended to  
19 read:

20           32-3022. License to grant degrees

21           A. A person doing business for profit or not for profit in this  
22 state, except a public community college or public university, shall not  
23 grant or offer to grant a degree to any person or operate an institution  
24 ~~which~~ THAT grants or offers to grant a degree to any person unless the  
25 person doing business holds a license to grant degrees issued pursuant to  
26 this chapter. Each degree program offered by a holder of a license to  
27 grant degrees shall be authorized on the license. The board shall  
28 prescribe the manner in which the degrees, including level and subject  
29 area, shall be identified on the license.

30           B. An applicant for a license to grant degrees shall have each  
31 degree program it offers accredited or have institutional accreditation  
32 with an accrediting agency recognized by the United States department of  
33 education. The board shall prescribe appropriate evidence of  
34 accreditation ~~which~~ THAT each applicant shall submit and the manner in  
35 which degree programs shall be identified for institutional accreditation.

36           C. Notwithstanding subsection B of this section, an applicant for a  
37 license to grant degrees ~~who~~ THAT offers a degree program ~~which~~ THAT is  
38 not accredited shall meet all of the following requirements:

39           1. Application or commitment to apply for accreditation with an  
40 accrediting agency recognized by the United States department of  
41 education. The board shall prescribe the manner in which the applicant  
42 shall demonstrate application or commitment to apply for accreditation and  
43 the time periods in which the various stages of accreditation shall be  
44 met.

1           2. Demonstration in the manner prescribed by the board, including  
2 on-site verification, that the applicant meets the requirements prescribed  
3 in section 32-3021, subsections ~~B~~ and C AND D if the applicant has not met  
4 the requirements in its application for accreditation.

5           3. Demonstration in the manner prescribed by the board that the  
6 applicant ~~who~~ THAT offers the degree provides actual instruction relating  
7 to each degree.

8           D. The board may, on application, issue a license to grant degrees  
9 to a new educational institution as provided in this section, except that  
10 the board shall establish separate minimum standards for licensure  
11 requirements of new educational institutions. The minimum standards may  
12 include the modification of licensure requirements as provided in section  
13 32-3021, subsection ~~B~~ C, paragraphs 3, 5, 6, 7 and 8 to meet the  
14 circumstances of new educational institutions. The board shall monitor  
15 the new educational institution to ensure compliance with the licensure  
16 requirements. The board shall issue a license to grant degrees as  
17 provided in this subsection one time only to new educational institutions.

18           E. This section does not apply to religious degrees ~~which~~ THAT are  
19 used solely for religious purposes within a religious organization ~~which~~  
20 THAT has tax exempt status from the internal revenue service.

21           Sec. 4. Title 32, chapter 30, article 2, Arizona Revised Statutes,  
22 is amended by adding section 32-3024, to read:

23           32-3024. Out-of-state registration; qualifications; records  
24                                   requirements; renewal; fee

25           A. THIS SECTION APPLIES TO ANY PRIVATE POSTSECONDARY EDUCATION  
26 INSTITUTION, REGARDLESS OF ACCREDITATION STATUS, WHETHER OR NOT THE  
27 PRIVATE POSTSECONDARY EDUCATION INSTITUTION OFFERS VOCATIONAL OR DEGREE  
28 PROGRAMS, THAT IS NOT DOMICILED IN THIS STATE, THAT ENROLLS A RESIDENT OF  
29 THIS STATE IN A FULLY ONLINE PROGRAM AND THAT IS NOT AN ACTIVE PARTICIPANT  
30 IN THE NATIONAL COUNCIL FOR STATE AUTHORIZATION RECIPROCITY AGREEMENT.

31           B. A PRIVATE POSTSECONDARY EDUCATION INSTITUTION THAT IS NOT  
32 DOMICILED IN THIS STATE SHALL SUBMIT AN APPLICATION FOR OUT-OF-STATE  
33 REGISTRATION TO THE BOARD THAT INCLUDES:

34           1. EVIDENCE THAT THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS  
35 LEGALLY AUTHORIZED TO OPERATE IN THE STATE IN WHICH IT IS DOMICILED BY THE  
36 HOME STATE'S POSTSECONDARY EDUCATION REGULATORY AGENCY.

37           2. EVIDENCE THAT THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS  
38 ACCREDITED. IF THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS NOT  
39 ACCREDITED, THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION SHALL SUBMIT  
40 THE ADDITIONAL INFORMATION REQUIRED IN SUBSECTION C OF THIS SECTION.

41           3. EVIDENCE THAT THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS  
42 PROVIDING FINANCIAL PROTECTION FOR STUDENTS IN THIS STATE BY PROVIDING ONE  
43 OF THE FOLLOWING:

1 (a) IF THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS  
2 ACCREDITED, PROOF OF FINANCIAL VIABILITY PURSUANT TO RULES ADOPTED BY THE  
3 BOARD THAT INCLUDES THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION'S  
4 FEDERAL FINANCIAL COMPOSITE SCORE, WHICH MUST BE GREATER THAN 1.5 FOR THE  
5 CURRENT YEAR.

6 (b) IF THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS NOT  
7 ACCREDITED OR DOES NOT MEET THE REQUIREMENTS OF SUBDIVISION (a) OF THIS  
8 PARAGRAPH, A SURETY BOND, CASH DEPOSIT OR IRREVOCABLE LETTER OF CREDIT  
9 PURSUANT TO SECTION 32-3023, AS DETERMINED BY THE BOARD. THE AMOUNT OF  
10 THE SURETY BOND, CASH DEPOSIT OR IRREVOCABLE LETTER OF CREDIT SHALL BE  
11 BASED ON THE INSTITUTION'S PRIOR YEAR GROSS TUITION REVENUE FROM RESIDENTS  
12 OF THIS STATE.

13 4. THE MOST RECENT YEAR-TO-DATE PARENT COMPANY FINANCIAL STATEMENTS  
14 AND THE MOST RECENTLY COMPLETED FISCAL YEAR FINANCIAL STATEMENTS IN  
15 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. THE FINANCIAL  
16 STATEMENTS REQUIRED BY THIS PARAGRAPH SHALL INCLUDE A BALANCE SHEET, A  
17 STATEMENT OF CASH FLOWS AND PROFIT AND LOSS STATEMENTS.

18 5. AN EXAMPLE OF THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION'S  
19 OFFICIAL STUDENT TRANSCRIPT.

20 C. A PRIVATE POSTSECONDARY EDUCATION INSTITUTION THAT IS NOT  
21 ACCREDITED SHALL SUBMIT THE FOLLOWING FOR REVIEW AND APPROVAL BY THE  
22 BOARD:

23 1. PROGRAM INFORMATION THAT IS APPROVED BY THE PRIVATE  
24 POSTSECONDARY EDUCATION INSTITUTION'S HOME STATE'S POSTSECONDARY EDUCATION  
25 REGULATORY AGENCY AND THAT IS OFFERED BY THE PRIVATE POSTSECONDARY  
26 EDUCATION INSTITUTION TO RESIDENTS OF THIS STATE, INCLUDING THE CATALOG,  
27 CURRICULA, COURSE DESCRIPTIONS AND PROGRAM OBJECTIVES.

28 2. A LIST OF ALL FACULTY TEACHING RESIDENTS OF THIS STATE AND  
29 EVIDENCE OF THE FACULTY'S QUALIFICATIONS TO TEACH IN THE FACULTY'S  
30 ASSIGNED SUBJECT AREAS.

31 3. EVIDENCE THAT ALL VOCATIONAL OR DEGREE PROGRAMS OFFERED MEET THE  
32 MINIMUM CREDIT HOUR AND PROGRAM LENGTH STANDARDS ESTABLISHED BY THE  
33 PRIVATE POSTSECONDARY EDUCATION INSTITUTION'S HOME STATE.

34 4. A SIGNED ATTESTATION FROM A RESPONSIBLE OFFICER OF THE PRIVATE  
35 POSTSECONDARY EDUCATION INSTITUTION AFFIRMING THAT THE PRIVATE  
36 POSTSECONDARY EDUCATION INSTITUTION WILL:

37 (a) COMPLY WITH THE BOARD'S PRO RATA REFUND POLICY AS ESTABLISHED  
38 BY BOARD RULE FOR ALL STUDENTS OF THIS STATE.

39 (b) PROVIDE THE FOLLOWING NOTIFICATIONS TO STUDENTS WHO ARE  
40 RESIDENTS OF THIS STATE:

41 (i) THAT THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION IS  
42 REGISTERED TO OPERATE BY THE BOARD.

43 (ii) AN OUTLINE OF THE PROCEDURES STUDENTS MAY FOLLOW TO FILE A  
44 COMPLAINT AGAINST THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION,  
45 INCLUDING A STATEMENT THAT IF A COMPLAINT IS NOT RESOLVED TO THE STUDENT'S

1 SATISFACTION, THE STUDENT MAY CONTACT THE BOARD. THE PRIVATE  
2 POSTSECONDARY EDUCATION INSTITUTION SHALL PROVIDE CONTACT INFORMATION FOR  
3 THE BOARD AND SHALL ENSURE THAT STUDENTS WILL NOT BE RETALIATED AGAINST  
4 FOR FILING A COMPLAINT.

5 (iii) THAT THE TRANSFERABILITY OF CREDITS EARNED AT THE PRIVATE  
6 POSTSECONDARY EDUCATION INSTITUTION IS AT THE SOLE DISCRETION OF THE  
7 RECEIVING INSTITUTION.

8 (iv) FOR PRIVATE POSTSECONDARY EDUCATION INSTITUTIONS OFFERING  
9 PROGRAMS OR COURSES LEADING TO OR ADVERTISED AS LEADING TO PROFESSIONAL  
10 LICENSURE, A STATEMENT OF WHETHER COMPLETION OF THE PROGRAM IS SUFFICIENT  
11 TO MEET LICENSURE REQUIREMENTS IN THIS STATE. IF THE PRIVATE  
12 POSTSECONDARY EDUCATION INSTITUTION IS UNABLE TO DETERMINE WHETHER A  
13 PROGRAM WILL MEET THE PROFESSIONAL LICENSURE REQUIREMENTS OF THIS STATE,  
14 THE NOTIFICATION SHALL STATE THAT THE PROGRAM DOES NOT SATISFY THE  
15 LICENSURE REQUIREMENTS OF THIS STATE.

16 D. A PRIVATE POSTSECONDARY EDUCATION INSTITUTION THAT IS REGISTERED  
17 PURSUANT TO THIS SECTION SHALL REPORT IN WRITING TO THE BOARD WITHIN  
18 THIRTY DAYS AFTER THE OCCURRENCE OF ANY OF THE FOLLOWING:

19 1. ANY CHANGE IN ACCREDITATION STATUS, INCLUDING ANY ADVERSE  
20 ACTION, PROBATION OR SHOW-CAUSE ORDER BY THE PRIVATE POSTSECONDARY  
21 EDUCATION INSTITUTION'S ACCREDITING AGENCY.

22 2. ANY SUSPENSION OR REVOCATION OF THE PRIVATE POSTSECONDARY  
23 EDUCATION INSTITUTION'S AUTHORIZATION BY THE PRIVATE POSTSECONDARY  
24 EDUCATION INSTITUTION'S HOME STATE OR ANY OTHER STATE.

25 3. ANY MATERIAL CHANGE IN THE PRIVATE POSTSECONDARY EDUCATION  
26 INSTITUTION'S FINANCIAL STATUS OR A FILING FOR BANKRUPTCY.

27 4. ANY NEW EDUCATION, CONSUMER PROTECTION OR FRAUD-RELATED  
28 ENFORCEMENT ACTION OR LAWSUIT FILED AGAINST THE PRIVATE POSTSECONDARY  
29 EDUCATION INSTITUTION BY A STATE OR FEDERAL AGENCY.

30 5. ANY CHANGE IN OWNERSHIP OF THE PRIVATE POSTSECONDARY EDUCATION  
31 INSTITUTION FOLLOWING APPROVAL BY THE PRIVATE POSTSECONDARY INSTITUTION'S  
32 HOME STATE.

33 E. EACH PRIVATE POSTSECONDARY EDUCATION INSTITUTION WITH  
34 OUT-OF-STATE REGISTRATION SHALL MAINTAIN A STUDENT'S OFFICIAL TRANSCRIPT  
35 IN PERPETUITY. THE PRIVATE POSTSECONDARY EDUCATION INSTITUTION SHALL  
36 MAINTAIN A STUDENT'S ENROLLMENT AND FINANCING AGREEMENTS FOR A PERIOD OF  
37 AT LEAST TEN YEARS AFTER THE STUDENT IS NO LONGER ENROLLED. ALL RECORDS  
38 REQUIRED TO BE RETAINED BY THIS SUBSECTION SHALL BE MAINTAINED IN DIGITAL  
39 FORM. WITHIN THIRTY DAYS AFTER CLOSURE OF THE PRIVATE POSTSECONDARY  
40 EDUCATION INSTITUTION, ALL STUDENT TRANSCRIPTS FOR RESIDENTS OF THIS STATE  
41 SHALL BE SUBMITTED TO THE BOARD.

1 F. AN OUT-OF-STATE REGISTRATION FOR A PRIVATE POSTSECONDARY  
2 EDUCATION INSTITUTION IS VALID FOR ONE YEAR. AN OUT-OF-STATE REGISTRATION  
3 SHALL BE RENEWED ANNUALLY THROUGH AN APPLICATION APPROVED BY THE BOARD. A  
4 PRIVATE POSTSECONDARY EDUCATION INSTITUTION SHALL PAY A FEE IN AN AMOUNT  
5 SET BY THE BOARD FOR BOTH INITIAL OUT-OF-STATE REGISTRATION AND RENEWAL OF  
6 REGISTRATION.

7 Sec. 5. Section 32-3071, Arizona Revised Statutes, is amended to  
8 read:

9 32-3071. Definitions

10 In this article, unless the context otherwise requires:

11 1. "Assessment" means the amount a private postsecondary education  
12 institution is required to pay to the student tuition recovery fund.

13 2. "Ceasing operations" means that a private postsecondary  
14 education institution has stopped offering educational courses or programs  
15 to the public for any reason.

16 ~~3. "Distance learning instruction" means a written correspondence  
17 or online education program for students who are enrolled in an  
18 institution licensed under this chapter.~~

19 ~~4.~~ 3. "Fund" means the student tuition recovery fund.

20 ~~5.~~ 4. "Newly enrolled student" means a student who is enrolling  
21 with a private postsecondary education institution for the first time.

22 ~~6.~~ 5. "Person injured" means a student of a private postsecondary  
23 education institution that charges prepaid tuition to a student who is  
24 damaged monetarily by the institution ceasing operations before fulfilling  
25 its contractual obligations or fully providing the services that were paid  
26 for in advance. Person injured does not include a nonresident student who  
27 is eligible to claim for recovery under a student tuition recovery fund or  
28 similar fund in the student's state of residence.

29 ~~7.~~ 6. "Prepaid tuition" means monies that are advanced to an  
30 educational institution before the educational institution provides its  
31 service.

32 ~~8.~~ 7. "Private postsecondary education institution" or  
33 "institution" means an educational institution that is subject to  
34 licensure OR OUT-OF-STATE REGISTRATION under this chapter.

35 ~~9.~~ 8. "Total course cost" means the tuition and other fees that  
36 are charged by the private postsecondary education institution for each  
37 course offered.

38 Sec. 6. Section 32-3072, Arizona Revised Statutes, is amended to  
39 read:

40 32-3072. Student tuition recovery fund

41 A. The student tuition recovery fund is established and shall be  
42 administered by the board. A person who is injured by a private  
43 postsecondary education institution ceasing operations may recover from  
44 the fund an amount that does not exceed the actual damages sustained.

1 B. Each private postsecondary education institution that collects  
2 prepaid tuition **AND THAT HOLDS A LICENSE OR AN OUT-OF-STATE REGISTRATION**  
3 shall annually pay an assessment to the board for each newly enrolled  
4 student in an amount equal to the sum of two-tenths of one percent of the  
5 total course cost for each newly enrolled student, not to exceed \$10 per  
6 student. A private postsecondary education institution is not required to  
7 pay more than \$25,000 per annual assessment period. A private  
8 postsecondary education institution is not required to pay assessments for  
9 newly enrolled students who are not residents of this state and for whom  
10 the institution has paid a student tuition recovery fund assessment or an  
11 assessment to a similar fund in the student's state of residence. A  
12 private postsecondary education institution is not required to pay  
13 assessments for students who are not residents of this state ~~and who are~~  
14 ~~enrolled in distance learning instruction.~~

15 C. If on June 30 of any year the balance in the fund exceeds  
16 \$500,000, and on notice by the board to institutions, only institutions  
17 and schools that are newly or provisionally licensed during or after that  
18 fiscal year then ended shall pay the assessment.

19 Sec. 7. Section 32-3075, Arizona Revised Statutes, is amended to  
20 read:

21 **32-3075. Statute of limitations; recovery from fund;**  
22 **eligibility**

23 A. A claim against the fund shall not be commenced later than one  
24 year after the private postsecondary education institution has ceased  
25 operations. The person injured shall submit a complaint to the board  
26 outlining the circumstances surrounding the claim. The board shall  
27 promptly investigate the complaint. If the complaint and claim are valid,  
28 the board shall pay the claim in the amount it considers reasonable.

29 B. Any person **WHO IS** injured by a private postsecondary education  
30 institution ceasing operation is eligible to submit a claim against the  
31 fund unless the person is not a resident of this state ~~and is enrolled in~~  
32 ~~distance learning instruction.~~