

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 83

BY EDUCATION COMMITTEE

AN ACT

RELATING TO PROPRIETARY SCHOOLS; AMENDING SECTION 33-2406, IDAHO CODE, TO
REVISE PROVISIONS RELATING TO A CONDITION OF REGISTRATION, TO ELIMINATE
LANGUAGE RELATING TO A NEWLY REGISTERED PROPRIETARY SCHOOL, TO PROVIDE
THAT NEITHER THE PRINCIPAL NOR SURETY ON A BOND OR OTHER FINANCIAL IN-
STRUMENT MAY TERMINATE COVERAGE OF THE BOND AND TO MAKE A TECHNICAL COR-
RECTION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-2406, Idaho Code, be, and the same is hereby
amended to read as follows:

33-2406. SURETY BOND. As a condition of registration, a proprietary
school shall obtain a surety bond or other financial instrument in a format
approved by the director, issued by an insurer duly authorized to do busi-
ness in this state in favor of the state of Idaho for the indemnification of
any student for any loss suffered as a result of a failure by such proprietary
school to satisfy its obligations pursuant to the terms and conditions of any
contract for tuition or other instructional fees entered into between the
proprietary school and a student, or as a result of any violation of the pro-
visions of this chapter or the rules promulgated pursuant to this chapter.
The term of the bond shall extend over the period of registration, and shall
be in such amount as is established in rule by the board. ~~The board may per-
mit the director to accept from a newly registered proprietary school, for a
period not to exceed five (5) years, a bond in a lesser amount that is supple-
mented by other financial instruments deemed acceptable by the director.~~

The director may submit a demand upon the surety on the bond on behalf
of a student or students when it is reasonably believed that a loss has oc-
curred due to a failure by such proprietary school to satisfy its obligations
pursuant to the terms and conditions of any contract for tuition or other in-
structional fees entered into between the proprietary school and a student,
or as a result of any violation of the provisions of this chapter or the rules
promulgated pursuant to this chapter.

Neither the principal nor surety on the bond or other financial instru-
ment may terminate the coverage of the bond, except upon giving one hundred
twenty (120) days' prior written notice to the director.