

By Senator Simmons

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1                   A bill to be entitled  
2       An act relating to safe neighborhood improvement  
3       districts; creating s. 163.5161, F.S.; creating the  
4       Safe Neighborhood Improvement District Revolving Loan  
5       Program; providing legislative purpose; providing  
6       definitions; authorizing the Department of Legal  
7       Affairs to provide loans for specified projects within  
8       safe neighborhood improvement districts; authorizing a  
9       safe neighborhood improvement district to borrow funds  
10      made available under the program and pledge revenues  
11      to repay such funds; specifying the procedures by  
12      which the department is to administer and manage the  
13      loans; specifying the term of such loans; authorizing  
14      the department to provide financial assistance to  
15      small safe neighborhood improvement districts;  
16      authorizing the department to adopt rules related to  
17      the loan program; requiring the department to prepare  
18      an annual report and submit it to specified committees  
19      in the Legislature; specifying items that the safe  
20      neighborhood improvement districts must submit to the  
21      department before being approved for loans; requiring  
22      the approval of the use of the revolving loans by the  
23      registered voters of the district by referendum;  
24      specifying items to be included in the referendum;  
25      requiring the referendum to be by sent by mail and  
26      published; specifying audit procedures once a loan  
27      project is completed; authorizing the department to  
28      charge reasonable service fees on loans to ensure the  
29      Safe Neighborhood Improvement District Revolving Loan

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30 Trust Fund will be operated in perpetuity; specifying  
31 fee amounts; restricting uses of the trust fund;  
32 specifying procedures if a safe neighborhood  
33 improvement district defaults under the terms of its  
34 loan agreement; authorizing the department to levy  
35 penalties for delinquent loan payments; authorizing  
36 the department to terminate or rescind a financial  
37 assistance agreement under certain conditions;  
38 providing an effective date.

39  
40 Be It Enacted by the Legislature of the State of Florida:

41  
42 Section 1. Section 163.5161, Florida Statutes, is created  
43 to read:

44 163.5161 Safe Neighborhood Improvement District Revolving  
45 Loan Program; use; rules.—

46 (1) The purpose of this section is to help implement the  
47 legislative public policy of guiding the coordinated, balanced,  
48 and harmonious development of safe neighborhood improvement  
49 districts. This is accomplished by ensuring such districts have  
50 adequate finances to plan and increase crime prevention through  
51 environmental design, environmental security, or defensible  
52 space techniques, or through community policing innovations.

53 (2) For purposes of this section, the term:

54 (a) "Bonds" means bonds, certificates, or other obligations  
55 of indebtedness issued by the department under this section.

56 (b) "Neighborhood improvements" means all facilities,  
57 including land, water, utilities, and roads, necessary for  
58 providing critical infrastructure to implement the crime

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59 prevention plans of a safe neighborhood improvement district.

60 (3) The department may provide loan guarantees, purchase  
61 loan insurance, and refinance local debt through the issuance of  
62 new loans for projects that are in the plans of a safe  
63 neighborhood improvement district and that have been approved by  
64 the department. A safe neighborhood improvement district may  
65 borrow funds made available pursuant to this section and may  
66 pledge any revenues or other adequate security available to the  
67 district to repay any funds borrowed.

68 (a) The department shall administer loans so that 15  
69 percent of the amounts credited to the Safe Neighborhood  
70 Improvement District Revolving Loan Trust Fund in any fiscal  
71 year is reserved for small safe neighborhood improvement  
72 districts.

73 (b) If an insufficient number of the projects for which  
74 funds are reserved under this subsection have been submitted to  
75 the department at the time a funding priority list is adopted,  
76 the reservation of these funds no longer applies. The department  
77 may award the unreserved funds as otherwise provided in this  
78 section.

79 (4) The term of loans made pursuant to this section may not  
80 exceed the life of the project secured by the bond. The interest  
81 rate on such loans may not exceed that paid on the last bonds  
82 sold pursuant to s. 14, Art. VII of the State Constitution.

83 (5) (a) The department may provide financial assistance to  
84 small neighborhood improvement districts, as determined by the  
85 department, including providing forgiveness of the loan  
86 principal.

87 (b) The department shall establish by rule the criteria for

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88 determining whether a safe neighborhood improvement district  
89 serves a financially disadvantaged community. Such criteria  
90 shall be based on the median household income of the service  
91 population or other reliably documented measures of  
92 disadvantaged status.

93 (6) In order to ensure that public moneys are managed in an  
94 equitable, prudent, and cost-effective manner, the total amount  
95 of money loaned to any safe neighborhood improvement district  
96 during a fiscal year may not exceed 25 percent of the total  
97 funds available for making loans during that year.

98 (7) The department may adopt rules to:

99 (a) Establish a priority system for loans based on degree  
100 of likelihood of enhancing crime prevention and affordability  
101 within a safe neighborhood improvement district.

102 (b) Establish the requirements for the award and the  
103 repayment of financial assistance.

104 (c) Require evidence of credit worthiness and adequate  
105 security, including an identification of revenues to be pledged  
106 and documentation of the sufficiency of revenues for loan  
107 repayment and pledged revenue coverage, to ensure that each loan  
108 recipient can meet its loan repayment requirements.

109 (d) Require each project receiving financial assistance to  
110 be cost-effective, environmentally sound, implementable, and  
111 self-supporting.

112 (8) The department shall prepare a report at the end of  
113 each fiscal year which details the financial assistance provided  
114 under this section, service fees collected, interest earned, and  
115 loans outstanding. The report shall be provided to the  
116 appropriations committees in the Senate and the House of

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117 Representatives.

118 (9) Before being approved for a loan, the safe neighborhood  
119 improvement district must, at a minimum:

120 (a) Provide a repayment schedule.

121 (b) Submit evidence that the project proposed for financial  
122 assistance can be permitted or implemented.

123 (c) Submit plans and specifications, biddable contract  
124 documents, or other documentation of appropriate procurement of  
125 goods and services.

126 (d) Provide assurance that records will be kept using  
127 generally accepted accounting principles and that the department  
128 and the Auditor General will have access to all records  
129 pertaining to the loan.

130 (e) Provide assurance that the goods and services funded  
131 will be properly operated and maintained.

132 (10) A safe neighborhood improvement district may not  
133 receive a revolving loan under this section unless the local  
134 government approves a resolution that provides for a referendum,  
135 and the qualified electors of the district have approved the use  
136 of revolving loans by referendum. The referendum must include  
137 the estimated cost of the capital projects that are anticipated  
138 to be funded by the revolving loan funds and the amount of the  
139 loan.

140 (a) The referendum to approve the loan funds shall be by  
141 mail ballot.

142 (b) Within 45 days after the date the city or county  
143 commission enacts an ordinance calling a referendum, the city  
144 clerk or the supervisor of elections, as appropriate, shall  
145 compile a list of the names and last known addresses of the

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146 electors within the safe neighborhood improvement district from  
 147 the list of registered voters of the municipality or county, as  
 148 appropriate, as of the last day of the preceding month, which  
 149 shall be the registration list for the referendum. A resident of  
 150 the district whose name does not appear on the registration list  
 151 may register to vote in the referendum as otherwise provided by  
 152 law.

153 (c) Within 45 days after compilation of the voter  
 154 registration list, the city clerk or the supervisor of  
 155 elections, as appropriate, shall notify each qualified elector  
 156 of the provisions of the ordinance and the date of the upcoming  
 157 referendum. Notification shall be by first-class mail and a one-  
 158 time publication in a newspaper of general circulation in the  
 159 municipality or county, as appropriate, in which the district is  
 160 located.

161 (d) The registration list must remain open for 75 days  
 162 after the date of the mailing of the notices to the electors as  
 163 provided in paragraph (c).

164 (e) Within 15 days after closing the registration list, the  
 165 city clerk or the supervisor of elections, as appropriate, shall  
 166 send a ballot to each elector at his or her last known mailing  
 167 address by first-class mail. The ballot must include:

168 1. A description of the capital projects to be funded by  
 169 the loan and the revenue sources that will be used to repay the  
 170 loan.

171 2. The following statement:

172 "Do you favor authorizing the .... Safe Neighborhood  
 173 Improvement District to use revolving loan funds in the amount  
 174 of \$.....to finance capital projects that are estimated

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175 to cost \$..... as provided by section 163.5161, Florida  
 176 Statutes?

178 ....Yes, I favor authorizing the use of revolving loan  
 179 funds for district purposes.

180 ....No, I am opposed to authorizing the use of revolving  
 181 loan funds for district purposes."

183 (f) Ballots must be returned by mail or by personal  
 184 delivery.

185 (g) All ballots received within 60 days after the closing  
 186 of the registration list shall be tabulated by the city clerk or  
 187 the supervisor of elections, as appropriate, who shall certify  
 188 the results thereof to the city or county commission, as  
 189 appropriate, no later than 5 days thereafter.

190 (h) The use of revolving loan funds is deemed to have been  
 191 approved only upon the affirmative vote of a majority of the  
 192 registered voters in the district voting on the issue.

193 (11) The department may conduct an audit of the loan  
 194 project upon completion, or may require that a separate project  
 195 audit, prepared by an independent certified public accountant,  
 196 be submitted.

197 (12) The department may require reasonable service fees on  
 198 loans made to safe neighborhood improvement districts to ensure  
 199 that the Safe Neighborhood Improvement District Revolving Loan  
 200 Trust Fund will be operated in perpetuity and to implement the  
 201 purposes authorized under this section. Service fees may not be  
 202 less than 2 percent nor greater than 4 percent of the loan  
 203 amount exclusive of the service fee. Service fee revenues shall

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204 be deposited into the department's Grants and Donations Trust  
205 Fund. The fee revenues, and interest earnings thereon, shall be  
206 used exclusively to carry out the purposes of this section.

207 (13) The Safe Neighborhood Improvement District Revolving  
208 Loan Trust Fund shall be used exclusively to carry out the  
209 purposes of this section. Any funds that are not needed  
210 immediately for financial assistance shall be invested pursuant  
211 to s. 215.49. The principal and interest of all loans repaid and  
212 investment earnings thereon shall be deposited into the fund.

213 (14) (a) If a safe neighborhood improvement district  
214 defaults under the terms of its loan agreement, the department  
215 must so certify to the Chief Financial Officer, who shall  
216 forward the amount delinquent to the department from any  
217 unobligated funds due to the safe neighborhood improvement  
218 district under any revenue-sharing or tax-sharing fund  
219 established by the state, except as otherwise provided by the  
220 State Constitution. Certification of delinquency may not limit  
221 the department from pursuing other remedies available for  
222 default on a loan, including accelerating loan repayments,  
223 eliminating all or part of the interest rate subsidy on the  
224 loan, and requesting a court appoint a receiver to manage the  
225 safe neighborhood improvement district.

226 (b) The department may impose a penalty for delinquent loan  
227 payments in the amount of 6 percent of the amount due, in  
228 addition to charging the cost to handle and process the debt.  
229 Penalty interest shall accrue on any amount due and payable  
230 beginning on the 30th day following the date upon which payment  
231 is due.

232 (15) The department may terminate or rescind a financial

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233 assistance agreement if the recipient fails to comply with the  
234 terms and conditions of the agreement.

235 Section 2. This act shall take effect upon becoming a law.