

CS/SB 136 by **TR, Ring**; (Compare to CS/CS/H 0003) Freight Logistics Zones

869648	D	S	RCS	ATD, Ring	Delete everything after	04/04 04:03 PM
855186	AA	S L	RCS	ATD, Evers	btw L.173 - 174:	04/04 04:03 PM

CS/SB 876 by **TR, Galvano**; (Identical to CS/H 0863) Motor Vehicle Crash Reports

CS/SB 1480 by **CM, Benacquisto**; (Similar to H 1227) Microfinance

642578	A	S L	WD	ATD, Gibson	Delete L.557 - 560:	04/02 10:55 AM
793252	A	S L	WD	ATD, Gibson	Delete L.232:	04/02 10:55 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

**APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, TOURISM, AND ECONOMIC
DEVELOPMENT**

Senator Gardiner, Chair
Senator Margolis, Vice Chair

MEETING DATE: Wednesday, April 2, 2014
TIME: 9:00 —11:00 a.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Gardiner, Chair; Senator Margolis, Vice Chair; Senators Brandes, Evers, Gibson, Latvala, Lee, Ring, Simpson, Sobel, Stargel, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 136 Transportation / Ring (Compare CS/CS/H 3)	Freight Logistics Zones; Defining the term "freight logistics zone"; authorizing a county, or two or more contiguous counties, to designate a geographic area or areas within its jurisdiction as a freight logistics zone; requiring the adoption of a strategic plan that must include certain information; providing that certain projects within freight logistics zones may be eligible for priority in state funding and certain incentive programs; providing evaluation criteria for freight logistics zones, etc. TR 11/07/2013 Fav/CS CM 03/17/2014 Favorable ATD 04/02/2014 Fav/CS AP	Fav/CS Yeas 9 Nays 0
2	CS/SB 876 Transportation / Galvano (Identical CS/H 863, Compare CS/CS/H 865, Link S 1046)	Motor Vehicle Crash Reports; Requiring a statement to be completed and sworn to for each confidential crash report requested within a certain time period, etc. TR 03/13/2014 Fav/CS ATD 04/02/2014 Favorable AP	Favorable Yeas 9 Nays 0
3	CS/SB 1480 Commerce and Tourism / Benacquisto (Similar H 1227)	Microfinance; Creating the "Florida Microfinance Act"; establishing the Microfinance Loan Program; requiring the Department of Economic Opportunity to contract with at least one entity to administer the program; requiring applicants for funds from the Microfinance Loan Program to meet certain qualifications; requiring the department to be guided by the 5-year statewide strategic plan and to advertise and promote the loan program; establishing the Microfinance Guarantee Program; providing an appropriation to the Department of Economic Opportunity, etc. CM 03/24/2014 Fav/CS ATD 04/02/2014 Favorable AP	Favorable Yeas 10 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Wednesday, April 2, 2014, 9:00 —11:00 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Other Related Meeting Documents		

CourtSmart Tag Report

Room: EL 110

Case:

Type:

Caption: Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development Judge:

Started: 4/2/2014 9:02:11 AM

Ends: 4/2/2014 9:31:31 AM Length: 00:29:21

9:02:14 AM Sen. Gardiner (chair)
9:02:45 AM S1480
9:02:55 AM Matthew Hunter, Legislative Aide, Sen. Gibson
9:04:16 AM Sen. Gardiner
9:04:19 AM Sen. Margolis
9:04:32 AM M. Hunter
9:04:55 AM Sen. Gardiner
9:05:03 AM Sen. Thompson
9:05:12 AM Sen. Gardiner
9:05:14 AM M. Hunter
9:05:46 AM Sen. Gardiner
9:05:51 AM Sen. Thompson
9:06:15 AM M. Hunter
9:06:36 AM Sen. Thompson
9:06:52 AM M. Hunter
9:07:06 AM Sen. Thompson
9:07:08 AM Sen. Gardiner
9:07:12 AM Sen. Margolis
9:07:28 AM M. Hunter
9:07:39 AM Sen. Margolis
9:08:04 AM M. Hunter
9:08:09 AM Sen. Gardiner
9:08:13 AM Am 642578
9:08:28 AM Sen. Gibson
9:09:35 AM Sen. Gardiner
9:09:39 AM Sen. Latvala
9:09:50 AM Sen. Gibson
9:10:01 AM Sen. Latvala
9:10:19 AM Sen. Gibson
9:10:40 AM Sen. Gardiner
9:10:55 AM M. Hunter
9:11:19 AM Sen. Gardiner
9:11:40 AM Sen. Gibson
9:11:51 AM Sen. Gardiner
9:11:58 AM Am. 793252
9:12:06 AM Sen. Gibson
9:12:47 AM Sen. Gardiner
9:12:51 AM Sen. Gibson
9:13:00 AM David Cruz, Assistant General Counsel, Florida League of Cities (waives in support)
9:13:06 AM Brian Pitts, Trustee, Justice-2-Jesus
9:15:53 AM Sen. Gardiner
9:15:56 AM Sen. Thompson
9:17:24 AM Sen. Gardiner
9:17:28 AM Sen. Latvala
9:17:54 AM Sen. Gardiner
9:18:08 AM Sen. Latvala
9:18:19 AM Sen. Gardiner
9:18:25 AM Sen. Ring
9:18:48 AM Sen. Gardiner
9:18:54 AM M. Hunter
9:18:56 AM Sen. Gardiner
9:18:58 AM Vote

9:19:22 AM S136
9:19:27 AM Sen. Ring
9:19:43 AM Sen. Gardiner
9:19:49 AM Sen. Ring
9:19:51 AM Sen. Gardiner
9:19:56 AM Am. 869648
9:19:58 AM Sen. Ring
9:20:47 AM Sen. Gardiner
9:21:17 AM Am. 855186
9:21:30 AM Sen. Evers
9:22:16 AM Sen. Gardiner
9:22:20 AM Sen. Ring
9:22:21 AM Sen. Gardiner
9:22:27 AM Richard Gentry, Escambia County (waives in support)
9:22:34 AM Sen. Gardiner
9:22:49 AM Sen. Sobel
9:22:58 AM Sen. Ring
9:23:39 AM Sen. Gardiner
9:23:43 AM Jessica Baker, Lobbyist, Sarasota Manatee Airport Authority (waives in support)
9:23:49 AM Richard Pinsky, Port of Palm Beach (waives in support)
9:23:54 AM Michael Rubin, VP General Affairs, Florida Ports Council (waives in support)
9:23:59 AM B. Pitts
9:26:33 AM Sen. Gardiner
9:26:36 AM Sen. Ring
9:26:38 AM Sen. Gardiner
9:26:40 AM Vote
9:27:14 AM S876
9:27:21 AM Rep. Dave Kerner
9:27:56 AM Sen. Gardiner
9:28:05 AM Don Heaton, Sergeant, Volusia County Sheriff's Department (waives in support)
9:28:14 AM Sen. Gardiner
9:28:22 AM Sam Morley, General Counsel, Florida Press Association
9:28:30 AM Sen. Gardiner
9:29:13 AM S. Morley
9:29:14 AM Sen. Gardiner
9:29:20 AM G.C. Murray, Dep. General Counsel, Florida Justice Association (waives in support)
9:29:24 AM Sen. Gardiner
9:29:28 AM Richard Gentry, Economic Council of Palm Beach County (waives in support)
9:29:35 AM Sen. Gardiner
9:29:41 AM Rep. Kerner
9:30:45 AM Sen. Gardiner
9:30:49 AM Vote
9:31:09 AM Sen. Gardiner



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Judiciary, *Chair*
Appropriations Subcommittee on Health
and Human Services
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Ethics and Elections
Gaming
Rules
Transportation

SENATOR TOM LEE

Deputy Majority Leader
24th District

February 2, 2014

Chairman Denise Grimsley
Senate Appropriations Subcommittee on Health and Human Services
201 The Capitol
404 South Monroe St.
Tallahassee, FL 32399

Dear Chair Grimsley,

I respectfully request to be excused from the Senate Appropriations Subcommittee on Health and Human Services on February 2, 2014 due to a prior commitment.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Lee".

Tom Lee
Senator, District 24

Cc: Scarlet Pigott, Staff Director

REPLY TO:

- 915 Oakfield Drive, Suite D, Brandon, Florida 33511 (813) 653-7061
- 418 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5024

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore



869648

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/04/2014	.	
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Appropriations Subcommittee on Transportation, Tourism, and Economic Development (Ring) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (b) of subsection (3) of section 311.07, Florida Statutes, is amended to read:

311.07 Florida seaport transportation and economic development funding.—

(3)

(b) Projects eligible for funding by grants under the



- 11 program are limited to the following port facilities or port
12 transportation projects:
- 13 1. Transportation facilities within the jurisdiction of the
14 port.
 - 15 2. The dredging or deepening of channels, turning basins,
16 or harbors.
 - 17 3. The construction or rehabilitation of wharves, docks,
18 structures, jetties, piers, storage facilities, cruise
19 terminals, automated people mover systems, or any facilities
20 necessary or useful in connection with any of the foregoing.
 - 21 4. The acquisition of vessel tracking systems, container
22 cranes, or other mechanized equipment used in the movement of
23 cargo or passengers in international commerce.
 - 24 5. The acquisition of land to be used for port purposes.
 - 25 6. The acquisition, improvement, enlargement, or extension
26 of existing port facilities.
 - 27 7. Environmental protection projects which are necessary
28 because of requirements imposed by a state agency as a condition
29 of a permit or other form of state approval; which are necessary
30 for environmental mitigation required as a condition of a state,
31 federal, or local environmental permit; which are necessary for
32 the acquisition of spoil disposal sites and improvements to
33 existing and future spoil sites; or which result from the
34 funding of eligible projects listed in this paragraph.
 - 35 8. Transportation facilities as defined in s. 334.03(30)
36 which are not otherwise part of the Department of
37 Transportation's adopted work program.
 - 38 9. Intermodal access projects.
 - 39 10. Construction or rehabilitation of port facilities as



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40 defined in s. 315.02, excluding any park or recreational
41 facilities, in ports listed in s. 311.09(1) with operating
42 revenues of \$5 million or less, provided that such projects
43 create economic development opportunities, capital improvements,
44 and positive financial returns to such ports.

45 11. Seaport master plan or strategic plan development or
46 updates, including the purchase of data to support such plans,
47 and asset management plans.

48 Section 2. Subsection (7) of section 311.101, Florida
49 Statutes, is amended to read:

50 311.101 Intermodal Logistics Center Infrastructure Support
51 Program.—

52 (7) Beginning in the 2014-2015 fiscal year, at least 2012-
53 2013, up to \$5 million per year shall be made available from the
54 State Transportation Trust Fund for the program. The Department
55 of Transportation shall include projects proposed to be funded
56 under this section in the tentative work program developed
57 pursuant to s. 339.135(4).

58 Section 3. Section 311.103, Florida Statutes, is created to
59 read:

60 311.103 Designation of state freight logistics zones.—

61 (1) As used in this section, the term "freight logistics
62 zone" means a grouping of activities and infrastructure
63 associated with freight transportation and related services
64 within a defined area around an intermodal logistics center as
65 defined in s. 311.101(2).

66 (2) A county, or two or more contiguous counties, may
67 designate a geographic area or areas within its jurisdiction as
68 a freight logistics zone. The designation must be accompanied by



69 a strategic plan adopted by the county or counties. At a
70 minimum, the strategic plan must include, but is not limited to:

71 (a) A map depicting the geographic area or areas to be
72 included within the designation.

73 (b) Identification of the existing or planned freight
74 facilities or logistics clusters located within the designated
75 zone.

76 (c) Identification of existing transportation
77 infrastructure, such as roads, rail, airports, and seaports,
78 within or in close proximity to the proposed freight logistics
79 zone.

80 (d) Identification of existing workforce availability
81 within or in close proximity to the proposed zone.

82 (e) Identification of any existing or planned local, state,
83 or federal workforce training capabilities available for a
84 business seeking to locate or expand within the proposed zone.

85 (f) Identification of any local, state, or federal plans,
86 including transportation, seaport, or airport plans, concerning
87 the movement of freight within or in close proximity to the
88 proposed zone.

89 (g) Identification of financial or other local government
90 incentives to encourage new development, expansion of existing
91 development, or redevelopment within the proposed zone.

92 (h) Documentation that the plan is consistent with
93 applicable local government comprehensive plans and adopted
94 long-range transportation plans of a Metropolitan Planning
95 Organization, where applicable.

96 (3) Projects within freight logistics zones designated
97 pursuant to this section, which are consistent with the Freight



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98 Mobility and Trade Plan developed in accordance with s.
99 334.044(33), may be eligible for priority in state funding and
100 incentive programs relating to freight logistics zones,
101 including applicable programs identified in parts I, III, and V
102 of chapter 288.

103 (4) When evaluating projects within a designated freight
104 logistics zone for purposes of determining funding or incentive
105 program eligibility under this section, consideration must be
106 given to:

107 (a) The presence of an existing or planned intermodal
108 logistics center within the freight logistics zone.

109 (b) Whether the project serves a strategic state interest.

110 (c) Whether the project facilitates the cost-effective and
111 efficient movement of goods.

112 (d) The extent to which the project contributes to economic
113 activity, including job creation, increased wages, and revenues.

114 (e) The extent to which the project efficiently interacts
115 with and supports the existing or planned transportation
116 network.

117 (f) The amount of investment or commitments made by the
118 owner or developer of the existing or proposed facility.

119 (g) The extent to which the county or counties have
120 commitments with private sector businesses planning to locate
121 operations within the freight logistics zone.

122 (h) Demonstrated local financial support and commitment to
123 the project, including in-kind contributions.

124 Section 4. Section 311.141, Florida Statutes, is created to
125 read:

126 311.141 Florida seaports all-hazards economic recovery and



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127 resumption of trade plan; asset management plan.-

128 (1) The Department of Transportation, in consultation with
129 the Division of Emergency Management, the Florida Seaport
130 Transportation and Economic Development Council, and other
131 appropriate partners, shall review the need for and, if needed,
132 develop a statewide all-hazards economic recovery and resumption
133 of trade plan for Florida's ports, as identified in s. 311.09.
134 The review shall examine existing continuity of operations plans
135 at the seaports and at other appropriate agencies and shall
136 identify any gaps or needed linkages to ensure expedited
137 resumption of business operations following a major incident at
138 a Florida port. The review shall also examine current procedures
139 and planning developed pursuant to s. 252.35 to identify any
140 changes needed to ensure integration of the plan into statewide
141 emergency management plans.

142 (2) The Department of Transportation, in consultation with
143 the Florida Seaport Transportation and Economic Development
144 Council, shall examine the need for, and possible benefits from,
145 implementation of a consistent asset management plan at each of
146 Florida's ports. For the purpose of achieving statewide
147 transportation and economic development goals and goals of the
148 seaport's strategic plan, any asset management plan developed
149 must identify systematic and coordinated activities and
150 practices to optimally and sustainably manage assets and asset
151 systems, and must identify the associated performance, risks,
152 and expenditures of such activities over their lifecycles.

153 Section 5. Subsection (2) of section 320.525, Florida
154 Statutes, is amended to read:

155 320.525 Port vehicles and equipment; definition;



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156 exemption.-

157 (2) Port vehicles and equipment shall be exempt from the
158 provisions of this chapter which require the registration of
159 motor vehicles, the payment of license taxes, and the display of
160 license plates when operated or used within the port facility of
161 any deepwater port of this state, as listed in s. 403.021(9)(b),
162 for the purpose of transporting cargo, containers, or other
163 equipment:

164 (a) From wharves to storage areas or terminals and return
165 to wharves within the port; ~~and~~

166 (b) From such storage areas or terminals to other storage
167 areas or terminals within the port; and

168 (c) On public roads connecting port facilities of a single
169 deepwater port, as specified in s. 403.021(9)(b), which are
170 designated as port district roads for the purpose of
171 transporting cargo, containers, and other equipment. The
172 Department of Transportation shall designate port district roads
173 with appropriate signage.

174 Section 6. This act shall take effect July 1, 2014.

175
176 ===== T I T L E A M E N D M E N T =====

177 And the title is amended as follows:

178 Delete everything before the enacting clause
179 and insert:

180 A bill to be entitled
181 An act relating to freight and trade; amending s.
182 311.07, F.S.; providing that seaport asset management
183 plans are eligible for funding from the Florida
184 Seaport Transportation and Economic Development



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185 Program; amending s. 311.101, F.S.; revising the
186 amount of funds to be made available annually from the
187 State Transportation Trust Fund for the Intermodal
188 Logistics Center Infrastructure Support Program;
189 creating s. 311.103, F.S.; defining the term "freight
190 logistics zone"; authorizing a county, or two or more
191 contiguous counties, to designate a geographic area or
192 areas within its jurisdiction as a freight logistics
193 zone; requiring the adoption of a strategic plan which
194 must include certain information; providing that
195 certain projects within freight logistics zones may be
196 eligible for priority in state funding and certain
197 incentive programs; providing evaluation criteria for
198 freight logistics zones; creating s. 311.141, F.S.;
199 requiring certain entities to conduct a review of
200 continuity of operations plans; authorizing such
201 entities to develop an all-hazards economic recovery
202 and resumption of trade plan for seaports; requiring
203 certain entities to review the need for consistent
204 asset management plans for seaports; specifying
205 requirements for such plans; amending s. 320.525,
206 F.S.; providing that certain public roads may be
207 designated as port district roads; requiring the
208 Department of Transportation to designate such roads
209 with appropriate signage; providing an effective date.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/04/2014	.	
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Appropriations Subcommittee on Transportation, Tourism, and Economic Development (Evers) recommended the following:

1 **Senate Amendment to Amendment (869648) (with title**
2 **amendment)**

3
4 Between lines 173 and 174
5 insert:

6 Section 6. Chapter 345, consisting of sections 345.0001,
7 345.0002, 345.0003, 345.0004, 345.0005, 345.0006, 345.0007,
8 345.0008, 345.0009, 345.0010, 345.0011, 345.0012, 345.0013, and
9 345.0014, Florida Statutes, is created to read:

10 345.0001 Short title.—This act may be cited as the



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11 "Northwest Florida Regional Transportation Finance Authority
12 Act."

13 345.0002 Definitions.—As used in this chapter, the term:

14 (1) "Agency of the state" means the state and any
15 department of, or any corporation, agency, or instrumentality
16 created, designated, or established by, the state.

17 (2) "Area served" means Escambia County. However, upon a
18 contiguous county's consent to inclusion within the area served
19 by the authority and with the agreement of the authority, the
20 term shall also include the geographical area of such county
21 contiguous to Escambia County.

22 (3) "Authority" means the Northwest Florida Regional
23 Transportation Finance Authority, a body politic and corporate,
24 and an agency of the state, established under this chapter.

25 (4) "Bonds" means the notes, bonds, refunding bonds, or
26 other evidences of indebtedness or obligations, in temporary or
27 definitive form, which the authority may issue under this
28 chapter.

29 (5) "Department" means the Department of Transportation.

30 (6) "Division" means the Division of Bond Finance of the
31 State Board of Administration.

32 (7) "Federal agency" means the United States, the President
33 of the United States, and any department of, or any bureau,
34 corporation, agency, or instrumentality created, designated, or
35 established by, the United States Government.

36 (8) "Members" means the governing body of the authority,
37 and the term "member" means one of the individuals constituting
38 such governing body.

39 (9) "Regional system" or "system" means, generally, a



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40 modern system of roads, bridges, causeways, tunnels, and mass
41 transit services within the area of the authority, with access
42 limited or unlimited as the authority may determine, and the
43 buildings and structures and appurtenances and facilities
44 related to the system, including all approaches, streets, roads,
45 bridges, and avenues of access for the system.

46 (10) "Revenues" means the tolls, revenues, rates, fees,
47 charges, receipts, rentals, contributions, and other income
48 derived from or in connection with the operation or ownership of
49 a regional system, including the proceeds of any use and
50 occupancy insurance on any portion of the system, but excluding
51 state funds available to the authority and any other municipal
52 or county funds available to the authority under an agreement
53 with a municipality or county.

54 345.0003 Transportation finance authority; formation;
55 membership.-

56 (1) Escambia County, as well as any other contiguous
57 county, may form a regional finance authority for the purposes
58 of constructing, maintaining, and operating transportation
59 projects in the northwest region of this state. The authority
60 shall be governed in accordance with this chapter. An authority
61 may not be created without the approval of the county commission
62 of each county that will be a part of the authority.

63 (2) The governing body of the authority shall consist of a
64 board of voting members as follows:

65 (a) The county commission of each county in the area served
66 by the authority shall appoint two members. Each member must be
67 a resident of the county from which he or she is appointed and,
68 if possible, must represent the business and civic interests of



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69 the community.

70 (b) The Governor shall appoint an equal number of members
71 to the board as those appointed by each county commission. The
72 members appointed by the Governor must be residents of the area
73 served by the authority.

74 (c) The secretary of the department shall appoint a
75 district secretary, or his or her designee, for the district
76 within which the area served by the authority is located.

77 (3) The term of office of each member shall be for 4 years
78 or until his or her successor is appointed and qualified.

79 (4) A member may not hold an elected office during the term
80 of his or her membership.

81 (5) A vacancy occurring in the governing body before the
82 expiration of the member's term shall be filled for the balance
83 of the unexpired term by the respective appointing authority in
84 the same manner as the original appointment.

85 (6) Before entering upon his or her official duties, each
86 member must take and subscribe to an oath before an official
87 authorized by law to administer oaths that he or she will
88 honestly, faithfully, and impartially perform the duties of his
89 or her office as a member of the governing body of the authority
90 and that he or she will not neglect any duties imposed upon him
91 or her by this chapter.

92 (7) The Governor may remove from office a member for
93 misconduct, malfeasance, misfeasance, or nonfeasance in office.

94 (8) The members of the authority shall designate a chair
95 from among the membership.

96 (9) The members shall serve without compensation, but are
97 entitled to reimbursement for per diem and other expenses in



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98 accordance with s. 112.061 while in performance of their duties.

99 (10) A majority of the members shall constitute a quorum,
100 and resolutions enacted or adopted by a vote of a majority of
101 the members present and voting at any meeting are effective
102 without publication, posting, or any further action of the
103 authority.

104 345.0004 Powers and duties.-

105 (1) The authority shall plan, develop, finance, construct,
106 reconstruct, improve, own, operate, and maintain a regional
107 system in the area served by the authority. The authority may
108 not exercise these powers with respect to an existing system for
109 transporting people and goods by any means that is owned by
110 another entity without the consent of that entity. If the
111 authority acquires, purchases, or inherits an existing entity,
112 the authority shall inherit and assume all rights, assets,
113 appropriations, privileges, and obligations of the existing
114 entity.

115 (2) The authority may exercise all powers necessary,
116 appurtenant, convenient, or incidental to the carrying out of
117 the purposes of this section, including, but not limited to, the
118 following rights and powers:

119 (a) To sue and be sued, implead and be impleaded, and
120 complain and defend in all courts in its own name.

121 (b) To adopt and use a corporate seal.

122 (c) To have the power of eminent domain, including the
123 procedural powers granted under chapters 73 and 74.

124 (d) To acquire, purchase, hold, lease as a lessee, and use
125 any property, real, personal, or mixed, tangible or intangible,
126 or any interest therein, necessary or desirable for carrying out



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127 the purposes of the authority.

128 (e) To sell, convey, exchange, lease, or otherwise dispose
129 of any real or personal property acquired by the authority,
130 including air rights.

131 (f) To fix, alter, charge, establish, and collect rates,
132 fees, rentals, and other charges for the use of any system owned
133 or operated by the authority, which rates, fees, rentals, and
134 other charges must be sufficient to comply with any covenants
135 made with the holders of any bonds issued under this act;
136 however, such right and power may be assigned or delegated by
137 the authority to the department.

138 (g) To borrow money; make and issue negotiable notes,
139 bonds, refunding bonds, and other evidences of indebtedness or
140 obligations, in temporary or definitive form, to finance all or
141 part of the improvement of the authority's system and
142 appurtenant facilities, including the approaches, streets,
143 roads, bridges, and avenues of access for the system and for any
144 other purpose authorized by this chapter, the bonds to mature no
145 more than 30 years after the date of the issuance; to secure the
146 payment of such bonds or any part thereof by a pledge of its
147 revenues, rates, fees, rentals, or other charges, including
148 municipal or county funds received by the authority under an
149 agreement between the authority and a municipality or county;
150 and, in general, to provide for the security of the bonds and
151 the rights and remedies of the holders of the bonds. However,
152 municipal or county funds may not be pledged for the
153 construction of a project for which a toll is to be charged
154 unless the anticipated tolls are reasonably estimated by the
155 governing board of the municipality or county, on the date of



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156 its resolution pledging the funds, to be sufficient to cover the
157 principal and interest of such obligations during the period
158 when the pledge of funds is in effect.

159 1. The authority shall reimburse a municipality or county
160 for sums spent from municipal or county funds used for the
161 payment of the bond obligations.

162 2. If the authority elects to fund or refund bonds issued
163 by the authority before the maturity of the bonds, the proceeds
164 of the funding or refunding bonds shall, pending the prior
165 redemption of the bonds to be funded or refunded, be invested in
166 direct obligations of the United States, and the outstanding
167 bonds may be funded or refunded by the issuance of bonds under
168 this chapter.

169 (h) To make contracts of every name and nature, including,
170 but not limited to, partnerships providing for participation in
171 ownership and revenues, and to execute each instrument necessary
172 or convenient for the conduct of its business.

173 (i) Without limitation of the foregoing, to cooperate with,
174 to borrow money and accept grants from, and to enter into
175 contracts or other transactions with any federal agency, the
176 state, or any agency or any other public body of the state.

177 (j) To employ an executive director, attorney, staff, and
178 consultants. Upon the request of the authority, the department
179 shall furnish the services of a department employee to act as
180 the executive director of the authority.

181 (k) To enter into joint development agreements.

182 (l) To accept funds or other property from private
183 donations.

184 (m) To act and do things necessary or convenient for the



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185 conduct of its business and the general welfare of the
186 authority, in order to carry out the powers granted to it by
187 this act or any other law.

188 (3) The authority may not pledge the credit or taxing power
189 of the state or a political subdivision or agency of the state.
190 Obligations of the authority may not be considered to be
191 obligations of the state or of any other political subdivision
192 or agency of the state. Except for the authority, the state or
193 any political subdivision or agency of the state is not liable
194 for the payment of the principal of or interest on such
195 obligations.

196 (4) The authority may not, other than by consent of the
197 affected county or an affected municipality, enter into an
198 agreement that would legally prohibit the construction of a road
199 by the county or the municipality.

200 (5) The authority shall comply with the statutory
201 requirements of general application which relate to the filing
202 of a report or documentation required by law, including the
203 requirements of ss. 189.4085, 189.415, 189.417, and 189.418.

204 345.0005 Bonds.—

205 (1) Bonds may be issued on behalf of the authority under
206 the State Bond Act. The authority may also issue bonds in such
207 principal amount as it deems necessary to provide sufficient
208 moneys for achieving its corporate purposes, including
209 construction, reconstruction, improvement, extension, repair,
210 maintenance, and operation of the system; the cost of
211 acquisition of all real property; interest on bonds during
212 construction and for a reasonable period thereafter;
213 establishment of reserves to secure bonds; and other



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214 expenditures of the authority incident and necessary or
215 convenient to carry out its corporate purposes and powers.

216 (2) Bonds issued by the authority under subsection (1)
217 must:

218 (a) Be authorized by resolution of the members and bear
219 such date or dates; mature at such time or times, not exceeding
220 30 years after their respective dates; bear interest at such
221 rate or rates, not exceeding the maximum rate fixed by general
222 law for authorities; be in such denominations; be in such form,
223 either coupon or fully registered; carry such registration,
224 exchangeability, and interchangeability privileges; be payable
225 in such medium of payment and at such place or places; be
226 subject to such terms of redemption; and be entitled to such
227 priorities of lien on the revenues and other available moneys as
228 such resolution or any resolution after the bonds' issuance
229 provides.

230 (b) Be sold at public sale in the same manner provided in
231 the State Bond Act. Temporary bonds or interim certificates may
232 be issued to the purchaser or purchasers of such bonds pending
233 the preparation of definitive bonds and may contain such terms
234 and conditions as determined by the authority.

235 (3) A resolution that authorizes bonds may specify
236 provisions that must be part of the contract with the holders of
237 the bonds as to:

238 (a) The pledging of all or any part of the revenues,
239 available municipal or county funds, or other charges or
240 receipts of the authority derived from the regional system.

241 (b) The construction, reconstruction, improvement,
242 extension, repair, maintenance, and operation of the system, or



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243 any part or parts of the system, and the duties and obligations
244 of the authority with reference thereto.

245 (c) Limitations on the purposes to which the proceeds of
246 the bonds, then or thereafter issued, or of any loan or grant by
247 any federal agency or the state or any political subdivision of
248 the state may be applied.

249 (d) The fixing, charging, establishing, revising,
250 increasing, reducing, and collecting of tolls, rates, fees,
251 rentals, or other charges for use of the services and facilities
252 of the system or any part of the system.

253 (e) The setting aside of reserves or of sinking funds and
254 the regulation and disposition of the reserves or sinking funds.

255 (f) Limitations on the issuance of additional bonds.

256 (g) The terms of any deed of trust or indenture securing
257 the bonds, or under which the bonds may be issued.

258 (h) Any other or additional matters, of like or different
259 character, which in any way affect the security or protection of
260 the bonds.

261 (4) The authority may enter into deeds of trust,
262 indentures, or other agreements with banks or trust companies
263 within or without the state, as security for such bonds, and
264 may, under such agreements, assign and pledge any of the
265 revenues and other available moneys, including any available
266 municipal or county funds, under the terms of this chapter. The
267 deed of trust, indenture, or other agreement may contain
268 provisions that are customary in such instruments or that the
269 authority may authorize, including, but without limitation,
270 provisions that:

271 (a) Pledge any part of the revenues or other moneys



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272 lawfully available.
273 (b) Apply funds and safeguard funds on hand or on deposit.
274 (c) Provide for the rights and remedies of the trustee and
275 the holders of the bonds.
276 (d) Provide for the terms of the bonds or for resolutions
277 authorizing the issuance of the bonds.
278 (e) Provide for any other or additional matters, of like or
279 different character, which affect the security or protection of
280 the bonds.
281 (5) Bonds issued under this act are negotiable instruments
282 and have the qualities and incidents of negotiable instruments
283 under the law merchant and the negotiable instruments law of the
284 state.
285 (6) A resolution that authorizes the issuance of authority
286 bonds and pledges the revenues of the system must require that
287 revenues of the system be periodically deposited into
288 appropriate accounts in sufficient sums to pay the costs of
289 operation and maintenance of the system for the current fiscal
290 year as set forth in the annual budget of the authority and to
291 reimburse the department for any unreimbursed costs of operation
292 and maintenance of the system from prior fiscal years before
293 revenues of the system are deposited into accounts for the
294 payment of interest or principal owing or that may become owing
295 on such bonds.
296 (7) State funds may not be used or pledged to pay the
297 principal or interest of any authority bonds, and all such bonds
298 must contain a statement on their face to this effect.
299 345.0006 Remedies of bondholders.-
300 (1) The rights and the remedies granted to authority



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301 bondholders under this chapter are in addition to and not in
302 limitation of any rights and remedies lawfully granted to such
303 bondholders by the resolution or indenture providing for the
304 issuance of bonds, or by any deed of trust, indenture, or other
305 agreement under which the bonds may be issued or secured. If the
306 authority defaults in the payment of the principal or interest
307 on the bonds issued under this chapter after such principal or
308 interest becomes due, whether at maturity or upon call for
309 redemption, as provided in the resolution or indenture, and such
310 default continues for 30 days, or if the authority fails or
311 refuses to comply with this chapter or any agreement made with,
312 or for the benefit of, the holders of the bonds, the holders of
313 25 percent in aggregate principal amount of the bonds then
314 outstanding are entitled as of right to the appointment of a
315 trustee to represent such bondholders for the purposes of the
316 default if the holders of 25 percent in aggregate principal
317 amount of the bonds then outstanding first gave written notice
318 to the authority and to the department of their intention to
319 appoint a trustee.

320 (2) The trustee and a trustee under a deed of trust,
321 indenture, or other agreement may, or upon the written request
322 of the holders of 25 percent or such other percentages specified
323 in any deed of trust, indenture, or other agreement, in
324 principal amount of the bonds then outstanding, shall, in any
325 court of competent jurisdiction, in its own name:

326 (a) By mandamus or other suit, action, or proceeding at
327 law, or in equity, enforce all rights of the bondholders,
328 including the right to require the authority to fix, establish,
329 maintain, collect, and charge rates, fees, rentals, and other



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330 charges, adequate to carry out any agreement as to, or pledge
331 of, the revenues, and to require the authority to carry out any
332 other covenants and agreements with or for the benefit of the
333 bondholders, and to perform its and their duties under this
334 chapter.

335 (b) Bring suit upon the bonds.

336 (c) By action or suit in equity, require the authority to
337 account as if it were the trustee of an express trust for the
338 bondholders.

339 (d) By action or suit in equity, enjoin any acts or things
340 that may be unlawful or in violation of the rights of the
341 bondholders.

342 (3) A trustee, if appointed under this section or acting
343 under a deed of trust, indenture, or other agreement, and
344 regardless of whether all bonds have been declared due and
345 payable, is entitled to the appointment of a receiver. The
346 receiver may enter upon and take possession of the system or the
347 facilities or any part or parts of the system, the revenues, and
348 other pledged moneys, for and on behalf of and in the name of,
349 the authority and the bondholders. The receiver may collect and
350 receive revenues and other pledged moneys in the same manner as
351 the authority. The receiver shall deposit such revenues and
352 moneys in a separate account and apply all such revenues and
353 moneys remaining after allowance for payment of all costs of
354 operation and maintenance of the system in such manner as the
355 court directs. In a suit, action, or proceeding by the trustee,
356 the fees, counsel fees, and expenses of the trustee, and the
357 receiver, if any, and all costs and disbursements allowed by the
358 court must be a first charge on any revenues after payment of



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359 the costs of operation and maintenance of the system. The
360 trustee also has all other powers necessary or appropriate for
361 the exercise of any functions specifically described in this
362 section or incident to the representation of the bondholders in
363 the enforcement and protection of their rights.

364 (4) A receiver appointed pursuant to this section to
365 operate and maintain the system or a facility or a part of a
366 facility may not sell, assign, mortgage, or otherwise dispose of
367 any of the assets belonging to the authority. The powers of the
368 receiver are limited to the operation and maintenance of the
369 system or any facility or part of a facility and to the
370 collection and application of revenues and other moneys due the
371 authority, in the name and for and on behalf of the authority
372 and the bondholders. A holder of bonds or trustee does not have
373 the right in any suit, action, or proceeding, at law or in
374 equity, to compel a receiver, or a receiver may not be
375 authorized or a court may not direct a receiver, to sell,
376 assign, mortgage, or otherwise dispose of any assets of whatever
377 kind or character belonging to the authority.

378 345.0007 Department to construct, operate, and maintain
379 facilities.-

380 (1) The department is the agent of the authority for the
381 purpose of performing all phases of a project, including, but
382 not limited to, constructing improvements and extensions to the
383 system, with the exception of the transit facilities. The
384 division and the authority shall provide to the department
385 complete copies of the documents, agreements, resolutions,
386 contracts, and instruments that relate to the project and shall
387 request that the department perform the construction work,



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388 including the planning, surveying, design, and actual
389 construction of the completion of, extensions of, and
390 improvements to the system. After the issuance of bonds to
391 finance construction of an improvement or addition to the
392 system, the division and the authority shall transfer to the
393 credit of an account of the department in the State Treasury the
394 necessary funds for construction. The department shall proceed
395 with construction and use the funds for the purpose authorized
396 by law for construction of roads and bridges. The authority may
397 alternatively, with the consent and approval of the department,
398 elect to appoint a local agency certified by the department to
399 administer federal aid projects in accordance with federal law
400 as the authority's agent for the purpose of performing each
401 phase of a project.

402 (2) Notwithstanding subsection (1), the department is the
403 agent of the authority for the purpose of operating and
404 maintaining the system, with the exception of transit
405 facilities. The costs incurred by the department for operation
406 and maintenance shall be reimbursed from revenues of the system.
407 The appointment of the department as agent for the authority
408 does not create an independent obligation on the part of the
409 department to operate and maintain a system. The authority shall
410 remain obligated as principal to operate and maintain its
411 system, and the authority's bondholders do not have an
412 independent right to compel the department to operate or
413 maintain the authority's system. This appointment does not
414 preclude the department and the authority from agreeing that
415 some portions of the system will be operated and maintained by
416 the authority.



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417 (3) The authority shall fix, alter, charge, establish, and
418 collect tolls, rates, fees, rentals, and other charges for the
419 authority's facilities, as otherwise provided in this chapter.

420 345.0008 Department contributions to authority projects.-

421 (1) The department may, at the request of the authority,
422 provide for or contribute to the payment of costs of financial
423 or engineering and traffic feasibility studies and the design,
424 financing, acquisition, or construction of the authority project
425 or system, subject to appropriation by the Legislature.

426 (2) The department may use its engineers and other
427 personnel, including consulting engineers and traffic engineers,
428 to conduct the feasibility studies authorized under subsection
429 (1).

430 (3) The department may participate in authority-funded
431 projects that, at a minimum:

432 (a) Serve national, statewide, or regional functions and
433 function as part of an integrated regional transportation
434 system.

435 (b) Are identified in the capital improvements element of a
436 comprehensive plan that has been determined to be in compliance
437 with part II of chapter 163. Further, the project shall be in
438 compliance with local government comprehensive plan policies
439 relative to corridor management.

440 (c) Are consistent with the Strategic Intermodal System
441 Plan developed under s. 339.64.

442 (d) Have a commitment for local, regional, or private
443 financial matching funds as a percentage of the overall project
444 cost.

445 (4) Before approval, the department must determine that the



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446 proposed project:
447 (a) Is in the public's best interest;
448 (b) Unless it is on or would directly benefit the State
449 Highway System, does not require the use of state funds;
450 (c) Has adequate safeguards in place to ensure that no
451 additional costs will be imposed on or service disruptions will
452 affect the traveling public and residents of this state if the
453 department cancels or defaults on the agreement; and
454 (d) Has adequate safeguards in place to ensure that the
455 department and the authority have the opportunity to add
456 capacity to the proposed project and other transportation
457 facilities serving similar origins and destinations.
458 (5) An obligation or expense incurred by the department
459 under this section is a part of the cost of the authority
460 project for which the obligation or expense was incurred. The
461 department may require that money contributed by the department
462 under this section be repaid from tolls of the project on which
463 the money was spent, other revenue of the authority, or other
464 sources of funds.
465 (6) The department shall receive from the authority a share
466 of the authority's net revenues equal to the ratio of the
467 department's total contributions to the authority under this
468 section to the sum of: the department's total contributions
469 under this section; contributions by any local government to the
470 cost of revenue-producing authority projects; and the sale
471 proceeds of authority bonds after payment of costs of issuance.
472 For the purpose of this subsection, the net revenues of the
473 authority are determined by deducting from gross revenues the
474 payment of debt service, administrative expenses, operations and



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475 maintenance expenses, and all reserves required to be
476 established under any resolution under which authority bonds are
477 issued.

478 345.0009 Acquisition of lands and property.-

479 (1) For the purposes of this chapter, the authority may
480 acquire private or public property and property rights,
481 including rights of access, air, view, and light, by gift,
482 devise, purchase, condemnation by eminent domain proceedings, or
483 transfer from another political subdivision of the state, as the
484 authority may deem necessary for any of the purposes of this
485 chapter, including, but not limited to, any lands reasonably
486 necessary for securing applicable permits, areas necessary for
487 management of access, borrow pits, drainage ditches, water
488 retention areas, rest areas, replacement access for landowners
489 whose access is impaired due to the construction of a facility,
490 and replacement rights-of-way for relocated rail and utility
491 facilities; for existing, proposed, or anticipated
492 transportation facilities on the system or in a transportation
493 corridor designated by the authority; or for the purposes of
494 screening, relocation, removal, or disposal of junkyards and
495 scrap metal processing facilities. Each authority shall also
496 have the power to condemn any material and property necessary
497 for such purposes.

498 (2) The authority shall exercise the right of eminent
499 domain conferred under this section in the manner provided by
500 law.

501 (3) An authority that acquires property for a
502 transportation facility or in a transportation corridor is not
503 liable under chapter 376 or chapter 403 for preexisting soil or



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504 groundwater contamination due solely to its ownership. This
505 section does not affect the rights or liabilities of any past or
506 future owners of the acquired property or the liability of any
507 governmental entity for the results of its actions which create
508 or exacerbate a pollution source. The authority and the
509 Department of Environmental Protection may enter into
510 interagency agreements for the performance, funding, and
511 reimbursement of the investigative and remedial acts necessary
512 for property acquired by the authority.

513 345.0010 Cooperation with other units, boards, agencies,
514 and individuals.—A county, municipality, drainage district, road
515 and bridge district, school district, or any other political
516 subdivision, board, commission, or individual in, or of, the
517 state may make and enter into a contract, lease, conveyance,
518 partnership, or other agreement with the authority within the
519 provisions of this chapter. The authority may make and enter
520 into contracts, leases, conveyances, partnerships, and other
521 agreements with any political subdivision, agency, or
522 instrumentality of the state and any federal agency,
523 corporation, or individual to carry out the purposes of this
524 chapter.

525 345.0011 Covenant of the state.—The state pledges to, and
526 agrees with, any person, firm, or corporation, or federal or
527 state agency subscribing to or acquiring the bonds to be issued
528 by the authority for the purposes of this chapter that the state
529 will not limit or alter the rights vested by this chapter in the
530 authority and the department until all bonds at any time issued,
531 together with the interest thereon, are fully paid and
532 discharged insofar as the rights vested in the authority and the



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533 department affect the rights of the holders of bonds issued
534 under this chapter. The state further pledges to, and agrees
535 with, the United States that if a federal agency constructs or
536 contributes any funds for the completion, extension, or
537 improvement of the system, or any parts of the system, the state
538 will not alter or limit the rights and powers of the authority
539 and the department in any manner that is inconsistent with the
540 continued maintenance and operation of the system or the
541 completion, extension, or improvement of the system, or that
542 would be inconsistent with the due performance of any agreements
543 between the authority and any such federal agency, and the
544 authority and the department shall continue to have and may
545 exercise all powers granted in this section, so long as the
546 powers are necessary or desirable to carry out the purposes of
547 this chapter and the purposes of the United States in the
548 completion, extension, or improvement of the system, or any part
549 of the system.

550 345.0012 Exemption from taxation.—The authority created
551 under this chapter is for the benefit of the people of the
552 state, for the increase of their commerce and prosperity, and
553 for the improvement of their health and living conditions. The
554 authority performs essential governmental functions under this
555 chapter, therefore, the authority is not required to pay any
556 taxes or assessments of any kind or nature upon any property
557 acquired or used by it for such purposes, or upon any rates,
558 fees, rentals, receipts, income, or charges received by it.
559 Also, the bonds issued by the authority, their transfer and the
560 income from their issuance, including any profits made on the
561 sale of the bonds, shall be free from taxation by the state or



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562 by any political subdivision, taxing agency, or instrumentality
563 of the state. The exemption granted by this section does not
564 apply to any tax imposed by chapter 220 on interest, income, or
565 profits on debt obligations owned by corporations.

566 345.0013 Eligibility for investments and security.—Bonds or
567 other obligations issued under this chapter are legal
568 investments for banks, savings banks, trustees, executors,
569 administrators, and all other fiduciaries, and for all state,
570 municipal, and other public funds, and are also securities
571 eligible for deposit as security for all state, municipal, or
572 other public funds, notwithstanding any other law to the
573 contrary.

574 345.0014 Applicability.—

575 (1) The powers conferred by this chapter are in addition to
576 the powers conferred by other law and do not repeal any other
577 general or special law or local ordinance, but supplement such
578 other laws in the exercise of the powers provided in this
579 chapter, and provide a complete method for the exercise of the
580 powers granted in this chapter. The extension and improvement of
581 a system, and the issuance of bonds under this chapter to
582 finance all or part of the cost of such extension or
583 improvement, may be accomplished upon compliance with this
584 chapter without regard to or necessity for compliance with the
585 provisions, limitations, or restrictions contained in any other
586 general, special, or local law, including, but not limited to,
587 s. 215.821, and approval of any bonds issued under this act by
588 the qualified electors or qualified electors who are freeholders
589 in the state or in any political subdivision of the state is not
590 required for the issuance of such bonds under this chapter.



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591 (2) This act does not repeal, rescind, or modify any other
592 law relating to the State Board of Administration, the
593 Department of Transportation, or the Division of Bond Finance of
594 the State Board of Administration; however, this chapter
595 supersedes any other law that is inconsistent with its
596 provisions, including, but not limited to, s. 215.821.

597
598
599 ===== T I T L E A M E N D M E N T =====

600 And the title is amended as follows:

601 Delete lines 181 - 209

602 and insert:

603 An act relating to transportation; amending s. 311.07,
604 F.S.; providing that seaport asset management plans
605 are eligible for funding from the Florida Seaport
606 Transportation and Economic Development Program;
607 amending s. 311.101, F.S.; revising the amount of
608 funds to be made available annually from the State
609 Transportation Trust Fund for the Intermodal Logistics
610 Center Infrastructure Support Program; creating s.
611 311.103, F.S.; defining the term "freight logistics
612 zone"; authorizing a county, or two or more contiguous
613 counties, to designate a geographic area or areas
614 within its jurisdiction as a freight logistics zone;
615 requiring the adoption of a strategic plan which must
616 include certain information; providing that certain
617 projects within freight logistics zones may be
618 eligible for priority in state funding and certain
619 incentive programs; providing evaluation criteria for



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620 freight logistics zones; creating s. 311.141, F.S.;

621 requiring certain entities to conduct a review of

622 continuity of operations plans; authorizing such

623 entities to develop an all-hazards economic recovery

624 and resumption of trade plan for seaports; requiring

625 certain entities to review the need for consistent

626 asset management plans for seaports; specifying

627 requirements for such plans; amending s. 320.525,

628 F.S.; providing that certain public roads may be

629 designated as port district roads; requiring the

630 Department of Transportation to designate such roads

631 with appropriate signage; creating ch. 345, F.S.,

632 relating to the Northwest Florida Regional

633 Transportation Finance Authority; creating s.

634 345.0001, F.S.; providing a short title; creating s.

635 345.0002, F.S.; defining terms; creating s. 345.0003,

636 F.S.; authorizing certain counties to form a regional

637 finance authority to construct, maintain, or operate

638 transportation projects in a given region of the

639 state; providing governance of the authority; creating

640 s. 345.0004, F.S.; specifying the powers and duties of

641 a regional transportation finance authority; limiting

642 the authority's power with respect to an existing

643 system; prohibiting the authority from pledging the

644 credit or taxing power of the state or any political

645 subdivision or agency of the state; prohibiting the

646 authority from entering into an agreement that would

647 prohibit a county or municipality from constructing a

648 road without the consent of the county; requiring that



649 the authority comply with certain reporting and
650 documentation requirements; creating s. 345.0005,
651 F.S.; authorizing the authority to issue bonds that
652 meet certain requirements; requiring that the
653 resolution that authorizes the issuance of bonds meet
654 certain requirements; authorizing the authority to
655 enter into security agreements for issued bonds with a
656 bank or trust company; providing that issued bonds are
657 negotiable instruments and have the qualities and
658 incidents of certain negotiable instruments under the
659 law; requiring that a resolution authorizing the
660 issuance of bonds and pledging of revenues of the
661 system include certain requirements; prohibiting the
662 use or pledge of state funds to pay principal or
663 interest of the authority's bonds; creating s.
664 345.0006, F.S.; providing for the rights and remedies
665 granted to bondholders; authorizing certain actions a
666 trustee may take on behalf of the bondholders;
667 authorizing the appointment of a receiver;
668 establishing and limiting the authority of the
669 receiver; creating s. 345.0007, F.S.; designating the
670 Department of Transportation as the agent of the
671 authority for specified purposes; authorizing the
672 administration and management of projects by the
673 department; limiting the powers of the department as
674 an agent; establishing the fiscal responsibilities of
675 the authority; creating s. 345.0008, F.S.; authorizing
676 the department to provide for or commit its resources
677 for the authority project or system, if approved by



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678 the Legislature; authorizing the payment of expenses
679 incurred by the department on behalf of the authority;
680 requiring the department to receive a share of the
681 revenue from the authority; providing calculations for
682 disbursement of revenues; creating s. 345.0009, F.S.;
683 authorizing the authority to acquire private or public
684 property and property rights for a project or plan;
685 authorizing the authority to exercise the right of
686 eminent domain; establishing the rights and
687 liabilities and remedial actions relating to property
688 acquired for a transportation project or corridor;
689 creating s. 345.0010, F.S.; authorizing contracts
690 between governmental entities and the authority;
691 creating s. 345.0011, F.S.; providing that the state
692 will not limit or alter the vested rights of a
693 bondholder with regard to any issued bonds or other
694 rights relating to the bonds under certain conditions;
695 creating s. 345.0012, F.S.; relieving the authority's
696 obligation to pay certain taxes or assessments for
697 property acquired or used for certain public purposes
698 or on revenues received relating to the issuance of
699 bonds; providing exceptions; creating s. 345.0013,
700 F.S.; providing that the bonds or obligations issued
701 are legal investments of specified entities; creating
702 s. 345.0014, F.S.; providing applicability; providing
703 an effective date.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/CS/SB 136

INTRODUCER: Appropriations Subcommittee on Transportation, Tourism, and Economic Development; Transportation Committee; and Senator Ring

SUBJECT: Transportation

DATE: April 2, 2014 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	Fav/CS
2.	Malcolm	Hrdlicka	CM	Favorable
3.	Carey	Martin	ATD	Fav/CS
4.			AP	

Please see Section IX. for Additional Information:
 COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 136 allows a county or counties to designate a “freight logistics zone,” which is defined as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center. The county or counties must adopt a strategic plan that includes a map depicting the geographic area or areas of the freight logistics zone and identifies existing infrastructure and resources within or near the zone. The bill requires the Florida Department of Transportation (FDOT) to allocate at least \$5 million annually from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program. Projects within a freight logistics zone, which are consistent with the FDOT’s Freight Logistics and Trade Plan, may be eligible for priority in state funding and incentive programs relating to freight logistic zones, including applicable state economic development incentive programs under parts I, III, and V of ch. 288, F.S. Eligibility for priority status will be based on an evaluation of the project.

The bill requires the FDOT, in consultation with the Division of Emergency Management (DEM) and the Florida Seaport and Economic Development (FSTED) Council, to review the need for, and if needed, develop a statewide all-hazards economic recovery and trade plan for Florida’s seaports. The FDOT is required, in consultation with the FSTED Council to examine the need for, and possible benefits of the implementation of a consistent asset management program at each seaport. An exemption from motor vehicle registration requirements is provided

for port vehicles and equipment traveling on port district roads for the purpose of transporting cargo, containers, and other equipment between port facilities of a single deep water port. The FDOT is required to erect appropriate signage designating port district roads.

The bill creates the Northwest Florida Regional Transportation Finance Authority (Authority). The Authority is created as an agency of the state, to finance, develop, operate, and maintain a regional system of roads, bridges, causeways, tunnels, and mass transit services in the area served.

There may be an indeterminate positive fiscal impact on state revenues related to the potential growth of the freight industry and related businesses in a freight logistics zone.

II. Present Situation:

The Florida Department of Transportation

The Florida Department of Transportation (FDOT) is pursuing a goal to develop a coordinated multi-modal transportation system for freight movement in Florida. It recently established the Office of Freight, Logistics, and Passenger Operations to emphasize freight mobility through the development and implementation of a freight planning process that maximizes the use of the existing government- and privately-owned transportation resources.¹

Freight Mobility and Trade Plan

The Legislature in 2012, emphasized the importance of freight mobility to the state's economic growth by directing the FDOT to develop a Freight Mobility and Trade Plan by July 1, 2013.² The plan will assist in making freight mobility investments that contribute to the economic growth of the state and enhance the integration of the transportation system between transportation modes throughout the state.³ The plan must propose transportation-related policies and investments that promote the:

- Flow of trade through the state's seaports and airports and recapture cargo shipped through seaports and airports in other states;
- Development of intermodal logistic centers in the state;
- Development of manufacturing industries in the state; and
- Implementation of compressed natural gas, liquefied natural gas, and propane energy policies that reduce transportation costs for businesses and residents in the state.⁴

The FDOT must also emphasize freight issues and needs in all appropriate transportation plans.⁵

¹ FDOT, Office of Freight Logistics and Passenger Operations, available at <http://www.dot.state.fl.us/multimodal/> (last visited Mar. 12, 2014).

² Chapter 2012-174, s. 23, L.O.F.; s. 334.044(33), F.S.

³ Section 334.044(33), F.S.; See also Florida Logistics website, available at <http://www.freightmovesflorida.com/> (last visited Mar. 14, 2014).

⁴ *Id.* at (a).

⁵ *Id.* at (b).

Intermodal Logistics Center Infrastructure Program

Additionally, in 2012, the Legislature created the Intermodal Logistics Center Infrastructure Program⁶ within the FDOT to provide funds for roads, rail facilities, or other means for the shipment of goods through a seaport.⁷ The FDOT must provide up to \$5 million annually for the program and must include projects the program proposes to fund in its tentative work program, which is developed to allocate state and federal funding for transportation related projects.⁸ In selecting a project for funding, the FDOT must consider a number of statutory criteria and consult with the Department of Economic Opportunity (DEO).⁹ The FDOT must fund up to 50 percent of project costs for selected projects.¹⁰ According to the FDOT, five projects have been awarded funding since Fiscal Year 2012-2013 as part of the Intermodal Logistics Center Infrastructure Program.¹¹ They are:

- The Port of Panama City Intermodal Distribution Center, Panama City - \$900,000;
- Keystone ILC Terminal, Jacksonville - \$2,225,000;
- Port Manatee Commerce Center, Palmetto - \$175,000;
- South Florida Logistics Center, Miami - \$2,500,000; and
- Flagler Station III, Miami - \$2,500,000.

Strategic Intermodal System

Additionally, in 2012, the Legislature required the FDOT Secretary to designate a planned facility as part of the Strategic Intermodal System (SIS) upon the request of the facility.¹² A requesting facility must meet the criteria established by the FDOT; meet the definition of “intermodal logistics center;”¹³ and must have been designated in a local comprehensive plan or local government development order as an intermodal logistics center or equivalent planning term.¹⁴ Designation as part of the SIS makes the facility eligible to receive funding for transportation capacity improvements.¹⁵

Moving Ahead for Progress in the 21st Century Act (MAP-21)

At the federal level, in 2012, the Moving Ahead for Progress in the 21st Century Act recommended that states develop plans for the immediate and long-range planning activities and investments of the state with respect to freight.¹⁶ The act also provides up to 95 percent federal

⁶ Section 311.101(2), F.S., defines “intermodal logistics center” as a “facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance of shipping through one or more [of Florida’s 17 seaports].”

⁷ Chapter 2012-174, s. 12, L.O.F.; s. 311.101(1), F.S.

⁸ See s. 339.135(4), F.S.

⁹ Section 311.101(3) (4), F.S.

¹⁰ *Id.* at (6).

¹¹ Existing, Developing, and Proposed Intermodal Logistics Center Locations provided by the Florida Department of Transportation on file with the Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development.

¹² Chapter 2012-174, s. 58, L.O.F.; s. 339.63(5), F.S.

¹³ *Supra* note 6.

¹⁴ Section 339.63(5), F.S.

¹⁵ See s. 339.61(1), F.S.

¹⁶ P.L. 112-141, s. 1118 (July 6, 2012).

matching funds for certain projects that are identified in state freight plans and that improve the movement of freight.¹⁷

Economic Development Incentive Programs, Ch. 288, F.S.

Part I: General Provisions

Current law provides a number of economic development incentives in various forms, including tax refunds, tax credits, tax exemptions, cash grants, and infrastructure funding. The most frequently utilized incentives include the qualified target industry tax refund,¹⁸ quick action closing fund,¹⁹ brownfield redevelopment bonus refund,²⁰ high impact performance incentive grant,²¹ and quick response training.²² These incentives are administered by the DEO and are generally designed to promote job creation within certain target industries in Florida. Accordingly, awards of these incentives are based on job creation, wage, and economic benefit (return on investment) projections for each entity that applies for the incentives. Additionally, recipient businesses are generally contractually required to meet specific milestones before incentive payments begin.

Part III: Foreign Trade Zones

Part III of ch. 288, F.S., authorizes any corporation or government agency to apply to the federal government to establish a foreign trade zone in or adjacent to a port of entry of the United States pursuant to the Foreign Trade Zones Act of 1934. A foreign trade zone is a designated location where U.S.-based companies can take advantage of special procedures that delay, avoid, or reduce duties, quotas, or certain ad valorem taxes on merchandise held in the zone.²³ These advantages are designed to lower the costs of U.S.-based businesses that are engaged in international trade.²⁴

There are currently 20 foreign trade zones in Florida, each of which is managed by a local government entity.²⁵ Beyond the authority to establish and operate a zone in accordance with federal law, part III of ch. 288, F.S., does not contain any state-level economic development incentives specifically for projects located in a foreign trade zone.

¹⁷ *Id.* at s. 1116.

¹⁸ Section 288.106, F.S.

¹⁹ Section 288.1088, F.S.

²⁰ Section 288.107, F.S.

²¹ Section 288.108, F.S.

²² Section 288.047, F.S. For a general description of these programs and their award and performance history *see* DEO and Enterprise Florida, Inc., *2013 Annual Incentives Report* (Dec. 30, 2013) available at <http://www.floridajobs.org/business/EDP/EconomicDevelopmentIncentivesReport.pdf> (last visited Mar. 13, 2014).

²³ U.S. International Trade Administration, U.S. Foreign Trade Zones, *What is a Foreign-Trade Zone?*, available at <http://enforcement.trade.gov/ftzpage/info/zone.html> (last visited Mar. 13, 2014).

²⁴ Seminole County, Economic Development, *Foreign Trade Zones*, available at <http://www.seminolecountyfl.gov/ecodev/ftz.aspx> (last visited Mar. 13, 2014).

²⁵ U.S. International Trade Administration, U.S. Foreign Trade Zones, available at <http://enforcement.trade.gov/ftzpage/letters/ftzlist-map.html#florida> (last visited Mar. 13, 2013).

Part V: Export Finance

Part V of ch. 288, F.S., creates the Florida Export Finance Corporation (FEFC), a not-for-profit corporation, to help small and medium-sized Florida businesses expand international trade and job opportunities for Florida's workforce. While the FEFC provides information and technical and consulting assistance to certain small and medium-sized Florida exporters, its primary service is through providing loan guarantees for exported goods. The FEFC will guarantee a loan to an exporter only after a commercial lender has denied an exporter's loan request. The maximum amount of a loan guarantee that the FEFC will provide is \$500,000 and may not exceed 90 percent of the value of the loan.²⁶

The FEFC is also a member of the city/state program of the Export-Import Bank of the United States and offers Florida exporters access to U.S. government export assistance programs offered by the Export-Import Bank and the State Board of Administration.²⁷

Beyond loan guarantees for small and medium-sized exporters and access to U.S. government export assistance programs, the FEFC does not provide any business incentives under part V of ch. 288, F.S.

Port Vehicles and Equipment (Section 5)

Section 320.525 (2), F.S., provides that port vehicles and equipment²⁸ are exempt from requirements related to motor vehicle registration, the payment of license taxes, and the display of license plates when operated or used within the port facility of any deepwater port listed in s. 403.021(9)(b), F.S.,²⁹ for the purpose of transporting cargo, containers, or other equipment:

- From wharves to storage areas or terminals and return to wharves within the port; and
- From such storage areas or terminals to other storage areas or terminals within the port.

Northwest Florida Transportation Corridor Authority

Escambia County and the only other contiguous Florida County, Santa Rosa, are currently served by the Northwest Florida Transportation Corridor Authority and the Santa Rosa Bay Bridge Authority.

The Northwest Florida Transportation Corridor Authority (NFTCA) is an agency of the state with the primary purpose of improving mobility on the U.S. 98 corridor in Northwest Florida to enhance traveler safety, identifying and developing hurricane routes, promoting economic development along the corridor, and implementing transportation projects to alleviate current or anticipated traffic congestion. The NFTCA is also authorized to issue bonds.³⁰ Eight voting members, one each from Escambia, Santa Rosa, Walton, Okaloosa, Bay, Gulf, Franklin and

²⁶ DEO and Enterprise Florida, Inc., *2013 Annual Incentives Report* at 72.

²⁷ *Id.* at 75.

²⁸ Section 320.525(1), F.S., defines "port vehicles and equipment" as "trucks, tractors, trailers, truck cranes, top loaders, fork lifts, hostling tractors, chassis, or other vehicles or equipment used for transporting cargo, containers, or other equipment."

²⁹ The deepwater ports listed in s. 403.021(9)(b), F.S., are Jacksonville, Tampa, Port Everglades, Miami, Port Canaveral, Ft. Pierce, Palm Beach, Port Manatee, Port St. Joe, Panama City, St. Petersburg, Pensacola, Fernandina, and Key West.

³⁰ Section 343.82, F.S.

Wakulla counties, are appointed by the Governor to serve four-year terms on the governing body. The FDOT's District Three Secretary serves as an *ex-officio*, non-voting member.³¹

The NFTCA is not currently operating any facility. According to a report by the Florida Transportation Commission (FTC), NFTCA's general consultant is assisting in evaluating, selecting, and planning transportation projects by assessing their respective economic benefits as part of the Master Plan update. The assessment includes extensive public outreach and involves regional planning councils in the area served by the NFTCA, as well as a series of stakeholder workshops in the region.³²

The NFTCA currently operates under an agreement that uses federal earmark funds for administrative expenses, professional services, regional transportation planning, and a work plan.³³

Santa Rosa Bay Bridge Authority

The Santa Rosa Bay Bridge Authority (SRBBA) governing body consists of seven members. The Governor and the Board of County Commissioners each appoint three members, and the FDOT District Three Secretary is an ex-officio member of the Board. Except for the Secretary, all members are required to be permanent residents of Santa Rosa County at all times during their term of office.³⁴

The SRBBA owns the Garcon Point Bridge, a 3.5-mile tolled bridge that spans Pensacola/East Bay between Garcon Point (south of Milton) and Redfish Point (between Gulf Breeze and Navarre) in southwest Santa Rosa County.³⁵ Florida's Turnpike Enterprise provides toll operations for the SRBBA, and the FDOT's District Three performs maintenance functions on the bridge. Because toll revenues are insufficient to pay both debt service on outstanding bonds and operations and maintenance (O&M) expenses, the costs of the O&M are recorded as debt owed to the FDOT. The FTC report indicates that the long-term debt for O&M expenses as of June 30, 2012, was \$18.1 million. The report indicates the SRBBA also has outstanding loans from the Toll Facilities Revolving Trust Fund,³⁶ and the balance on June 30, 2012, was \$7.9 million.³⁷

III. Effect of Proposed Changes:

Section 1 amends s. 311.07, F.S., to include seaport asset management plans as an eligible project for grant funding under the Florida Seaport and Economic Development Program.

³¹ Section 343.81, F.S.

³² Florida Transportation Commission, *Transportation Authority Monitoring and Oversight Fiscal Year 2012 Report*, p. 165, available at, [http://www.ftc.state.fl.us/documents/reports/TAMO/Final%20FY%202012%20Oversight%20Report%20\(5-28-13\).pdf](http://www.ftc.state.fl.us/documents/reports/TAMO/Final%20FY%202012%20Oversight%20Report%20(5-28-13).pdf) (last visited March 27, 2014).

³³ *Id.* at 163.

³⁴ Section 348.967, F.S.

³⁵ FTC Report, *supra*, n. 3 at 60.

³⁶ The Toll Facilities Revolving Trust Fund was dissolved in 2012. *See* ch. 2012-128, L.O.F. All outstanding repayments are to be deposited into the State Transportation Trust Fund.

³⁷ *Id.*

Section 2 amends s. 311.101, F.S., to require the FDOT to allocate at least, rather than up to, \$5 million from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program.

Section 3 creates s. 311.103, F.S., to provide for the designation of freight logistics zones in Florida. A “freight logistics zone” is defined as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center as defined in s. 311.101(2), F.S.³⁸ A county, or two or more contiguous counties, is authorized to designate one or more geographic areas within its jurisdiction as a freight logistics zone. The bill does not limit the size, number, or scope of the geographic areas that may be designated as freight logistics zones.

A strategic plan adopted by the county or counties must accompany the designation and must include a map depicting the geographic area or areas to be included within the designation. The strategic plan must also identify:

- Existing or planned freight facilities or logistics clusters within the freight logistics zone;
- Existing transportation infrastructure and workforce availability within or near the freight logistics zone;
- Any public workforce training providers available for a business seeking to locate or expand within the freight logistics zone;
- Any local, state, or federal freight movement plans within or near the freight logistics zone; and
- Local government incentives to encourage new or expanding development or redevelopment within the freight logistics zone.

The strategic plan must include documentation that it is consistent with local government comprehensive plans and, if necessary, long-range transportation plans of a metropolitan planning organization.

A project within a zone that is consistent with the FDOT’s Freight and Mobility Trade Plan may be eligible for priority in state funding and incentive programs relating to zones, including applicable programs identified in parts I, III, and V of ch. 288, F.S. Current incentives under part I of ch. 288, F.S., do not provide a system of priority treatment to determine incentive awards. As explained in the Present Situation above, incentive awards are determined based on job creation, wage, and economic benefit calculations for each project. However, neither foreign trade zones under part III of ch. 288, F.S., nor the FEFC under part V of ch. 288, F.S., provide state-level development incentives or funding beyond the loan guarantee program for exporters administered by the FEFC. The priority status of a project in a freight logistics zone, as provided in the bill, will likely be inapplicable for any federal government funding or incentives provided through foreign trade zones or the FEFC.

To determine funding or incentive program eligibility, a project within a freight logistics zone will be evaluated based on the following criteria:

- The presence of an existing or planned intermodal logistics center within the freight logistics zone.

³⁸ *Supra* note 6.

- Whether the project serves a strategic state interest.
- Whether the project facilitates the cost-effective and efficient movement of goods.
- The extent to which the project contributes to economic activity.
- The extent to which the project efficiently interacts with and supports the transportation network.
- The amount of investment or commitments made by the owner or developer of the existing or proposed facility.
- The extent to which the county or counties have commitments with private sector businesses planning to locate operations with the freight logistics zone.
- Demonstrated local financial support and commitment to the project.

It is unclear how the bill will be administered. For example, the bill does not indicate which state agency or department will evaluate projects to determine whether the project will receive priority for funding or incentives. Presumably, once a project in a freight logistics zone meets eligibility requirements under any of the incentive or funding programs in parts I, III, and V of ch. 288, F.S., and also meets the criteria for evaluating projects described above, the priority of that project over other projects not within a freight logistics zone is authorized. However, once a pool of eligible projects within freight logistics zones is identified, no process for prioritizing projects within the pool is provided in the bill.

Section 4 creates s. 311.141, F.S., to require the FDOT, in consultation with the Division of Emergency Management and the Florida Seaport and Economic Development (FSTED) Council,³⁹ and other appropriate partners, to review the need for, and, if needed, develop, a statewide all hazards economic recovery and resumption of trade plan for Florida's seaports listed in s. 311.09, F.S.⁴⁰ The review is required to examine existing continuity of operations plans at seaports and at other appropriate agencies and shall identify any gaps or needed linkages to ensure expedited resumption of business operations following any major incident at a Florida port. This review will also include examining current procedures and planning developed pursuant to s. 252.35, F.S.,⁴¹ to identify any changes needed to ensure appropriate integration of this plan into statewide emergency management plans.

Section 5 amends s. 320.525, F.S., to provide an exemption for port vehicles and equipment on public roads which are designated as port district roads, from the requirements related to motor vehicle registration, the payment of license taxes, and the display of license plates for the purpose of transporting cargo, containers or other equipment. Port district roads are to be designated by DOT with appropriate signage.

Section 6 creates ch. 345, F.S., and creates the following sections of law:

Section 345.0001, F.S., designates the Act as the "Northwest Florida Regional Transportation Finance Authority Act."

³⁹ The Florida Seaport and Economic Development Council is created in s. 311.09, F.S.

⁴⁰ Section 311.09(1), F.S., lists the following seaports: Jacksonville, Port Canaveral, Port Citrus, Fort Pierce, Palm Beach, Port Everglades, Miami, Port Manatee, St. Petersburg, Tampa, Port St. Joe, Panama City, Pensacola, Key West, and Fernandina.

⁴¹ Section 252.35, F.S., relates to the emergency management powers of the Division of Emergency Management.

Section 345.0002, F.S., defines terms for purposes of the new chapter, including, but not limited to, the following:

- “Area served” means Escambia County, as well as the geographical area of a contiguous county, upon the county’s and the Northwest Florida Regional Transportation Authority’s (authority) mutual consent;
- “Regional system” or “system” means, generally, a modern system of roads, bridges, causeways, tunnels, and mass transit services with the area of the authority, with limited or unlimited access, and related buildings, structures, and facilities; and
- “Revenues” means the tolls, revenues, rates, fees, charges, receipts, rentals, contributions, and other income derived from operation and ownership of a regional system, including proceeds of any use and occupancy insurance, but excluding state funds, and any other municipal or county funds available under an agreement between a municipality or county and the authority.

Section 345.0003, F.S., authorizes the formation and membership of the authority as follows:

- Escambia County, and any other contiguous county, may form a regional finance authority to construct, maintain, and operate transportation projects in the northwest region of the state;
- The county commission of each county that will be a part of the authority must approve creation of the authority;
- The county commission of each county in the area served appoints two members to the authority’s governing body, who must be residents of the county from which each member is appointed and, if possible, represent the community’s business and civic interests;
- The Governor appoints an equal number of members as appointed by each county commission, who must be residents of the area served by the authority;
- The FDOT Secretary appoints a District Secretary, or designee, for the FDOT district within which the area served by the authority is located;
- Each member serves a term of four years, or until a successor is appointed and qualified; must take and subscribe to a specified oath before entering the member’s duties; may not hold elected office while serving as an authority member; and may be removed from office by the Governor for specified violations; and
- Members serve without compensation but are reimbursed for per diem and certain other expenses;

Section 345.0004, F.S., establishes the authority’s powers and duties, including, but not limited to, the following:

- Planning, constructing, improving, operating and maintaining a regional system in the area served, except for an existing system for transporting people and goods owned by another non-consenting entity;
- Charging and collecting rates, fees, rentals, and other charges for use of any system owned or operated by the authority, which must be sufficient to comply with any covenants with the bondholders. This power may be assigned or delegated to the FDOT;
- Borrowing money, and issuing bonds that mature in no more than 30 years, to finance all or part of the improvement of the authority’s system; and to secure the payment of such bonds by a pledge of the authority’s revenues, rates, etc., including municipal or county funds received by the authority under an agreement between the authority and the municipality or county;

- Providing, in general, for the rights and remedies of the bondholders:
- To make contracts, enter into joint development agreements, and to act and do things necessary or convenient for the conduct of its business and the general welfare of the authority.

The authority is prohibited from:

- Pledging municipal or county funds for the construction of a project for which a toll is to be charged unless the anticipated tolls are reasonably estimated by the governing board of the municipality or county to be sufficient to cover the principal and interest of such obligations. The authority must reimburse sums spent from municipal or county funds for the payment of bond obligations, with additional requirements if the authority elects to fund or refund bonds before maturity.
- Pledging the credit or taxing power of the state or a political subdivision or agency of the state.
- Entering into an agreement that would legally prohibit the construction of a road by the county or municipality, other than by consent.

Section 345.0005, F.S., authorizes the issuance of bonds on behalf of the authority or, alternatively, to authorize the authority to issue bonds on its own. The use or pledging of state funds to pay the principal and interest of any authority bonds is prohibited.

Section 345.0006, F.S., provides for the protection of the bondholders, including, but not limited to providing for the appointment of a trustee and the trustee's duties and rights, appointment of a receiver and the receiver's duties and powers, and enforcement of the bondholders' rights in the event of a specified default by the authority in the payment of the principal and interest on the bonds.

Section 345.0007, F.S., authorizes the FDOT as the authority's agent to perform all phases of a project, including construction, extension, and improvements to the system. Alternatively, and with the FDOT's consent and approval, the authority may appoint a local, FDOT-certified agency to administer federal-aid projects. The FDOT is the authority's agent for operating and maintaining the system, except for transit facilities; and the costs incurred by the FDOT must be reimbursed from system revenues. The authority remains obligated as principal to operate and maintain the system.

Section 345.0008, F.S., authorizes the FDOT to provide for or contribute to the costs of financial, engineering and traffic feasibility studies and the design, financing, acquisition, or construction of an authority project or system, subject to appropriation by the Legislature, and if the projects meet certain criteria. The FDOT may require that state funds contributed to the cost of the project be repaid from tolls of the project, other authority revenue, or other sources of funds.

Section 345.0009, F.S., provides for the authority's powers relating to acquisition of private or public property rights by various means and for various purposes, limits the authority's liability for certain environmental contamination, and authorizes the authority to enter into interagency agreements with the Department of Environmental Protection for performance, funding, and reimbursement of certain investigative and remedial acts.

Section 345.0010, F.S., authorizes contracts, leases, conveyances, partnerships, or other agreements between the authority and specified entities to carry out the purposes of the Act.

Section 345.0011, F.S., provides that the state will not limit or alter the vested rights in the authority or the FDOT until the bonds are fully paid; and will not limit or alter the rights and powers of the authority and the FDOT in a manner inconsistent with the continued operation and maintenance of the system or with performance of any agreement between the authority and a federal agency that constructs or contributes any funds for the completion, extension, or improvement of any part of the system.

Section 345.0012, F.S., exempts the authority from paying any taxes or assessments of any kind upon any authority property, rates, fees, or income, etc.; or upon bonds issued by the authority.

Section 345.0013, F.S., provides that authority bonds or other obligations issued under the Act are eligible for investments and security.

Section 345.0014, F.S., provides the:

- Authority's powers are in addition to others conferred by law and do not repeal any other general or special law or local ordinance;
- Issuance of bonds to finance all or part of the cost of extension or improvement of a system is authorized without compliance with any other law; and
- Act does not affect any law relating to the FDOT, or the State Board of Administration or the Division of Bond Finance, and supersedes any other inconsistent law, including, but not limited to, s. 215.821, F.S., which provides that provisions of the State Bond Act, ss. 215.57-215.83, F.S., apply to bonds issued by or on behalf of state agencies.

Section 7 provides an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Indeterminate.

B. Private Sector Impact:

A business located in a freight logistics zone may be eligible for priority in state funding and incentive programs related to freight logistics zones. With respect to programs under part I of ch. 288, F.S., a business may be required to meet the evaluation criteria established under the bill in addition to the particular funding or incentive program's requirements under part I of ch. 288, F.S.

Additionally, the FDOT indicated that projects within freight logistics zones may be given priority consideration for funding during the development of the Five-Year Tentative Work Program.⁴²

There may be an indeterminate positive fiscal impact on state revenues related to the potential growth of the freight industry and related businesses in a freight logistics zone.

Deepwater ports will no longer be subject to vehicle registration requirements for vehicles and equipment that are traveling on port district roads.

The Florida Seaport and Economic Development Council may incur expenditures related to the review and possible development of a statewide all-hazards economic recovery and trade plan for Florida's seaports. The potential costs are indeterminate.

C. Government Sector Impact:

The impact of CS/CS/SB 136 on state agencies is indeterminate because the responsibility of the FDOT or the DEO in implementing or administering the bill is uncertain.

The bill may further the development of a coordinated multi-modal transportation system for freight movement in Florida, thereby facilitating statewide economic development.

Counties that choose to designate freight logistics zones will incur expenses, in unknown amounts, associated with creating strategic plans and designating freight logistics zones. Local government financial support and commitment, in unknown amounts, are to be identified in the required strategic plans.

The exemption of motor vehicle registration requirements for port vehicles and equipment traveling on port district roads may result in an indeterminate but insignificant revenue loss.

The FDOT and the Division of Emergency Management may incur expenditures related to the review and possible development of a statewide all-hazards economic recovery and trade plan for Florida's seaports.

⁴² FDOT, *Agency Analysis of SB 136*, 4 (Oct. 9, 2013) (on file with the Committee on Commerce and Tourism).

There is no immediate fiscal impact to the counties served by the Northwest Florida Regional Transportation Finance Authority (authority), as there are no transportation system projects currently identified. The authority will not be required to pay any taxes or assessments upon any property acquired or used by it, or upon any rates, fees, rentals, receipts, income or charges it receives. The bonds issued by the authority, their transfer and the income, including any profits made on the sale will be free from taxation. The exemption is not applicable to any tax imposed by ch. 220, F.S., on interest, income, or profits on debt obligations owned by corporations.

The FDOT may incur an indeterminate negative fiscal impact associated with the planning, surveying, design, and actual construction of an authority transportation system project. However, the expenses should be offset by the funds transferred by the authority to an FDOT account in the State Treasury.

The FDOT may incur an indeterminate negative fiscal impact should the operation and maintenance of an authority transportation system exceed the revenues generated from that system in the same fiscal year. However, the bill requires that any bond resolution authorizing the issuance of authority bonds and pledging the revenues of the transportation system to require that revenues of the system be periodically deposited into appropriate accounts in sums sufficient to pay the costs of operation and maintenance of the system for the current fiscal year and to reimburse the FDOT for any unreimbursed costs of operation and maintenance of the system from prior fiscal years before revenues of the system are deposited into accounts for the payment of interest or principal on authority bonds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates sections 311.103, 311.141, 345.0001, 345.0002, 345.0003, 345.0004, 345.0005, 345.0006, 345.0007, 345.0008, 345.0009, 345.0010, 345.0011, 345.0012, 345.0013, and 345.0014 of the Florida Statutes.

This bill substantially amends sections 311.07, 311.101 and 320.525 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS/CS by the Appropriations Subcommittee on Transportation, Tourism, and Economic Development on April 2, 2014:

The following provisions were added to the bill:

- Requires the FDOT to allocate at least \$5 million annually from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program;
- Requires the FDOT, in consultation with the Division of Emergency Management (DEM) and the Florida Seaport and Economic Development (FSTED) Council, to review the need for, and if needed, develop a statewide all-hazards economic recovery and trade plan for Florida’s seaports.
- Requires the FDOT, in consultation with the FSTED Council to examine the need for, and possible benefits of the implementation of a consistent asset management program at each seaport.
- Provides an exemption from motor vehicle registration requirements for port vehicles and equipment traveling on port district roads for the purpose of transporting cargo, containers, and other equipment between port facilities of a single deep water port. The FDOT is required to erect appropriate signage designating port district roads.
- Creates the Northwest Florida Regional Transportation Finance Authority. The authority is created as an agency of the state, to finance, develop, operate, and maintain a regional system of roads, bridges, causeways, tunnels, and mass transit services the area served.

CS by Transportation on November 7, 2013:

The bill authorizes designation of a geographic area or areas as a zone. Once designated, projects within the zone are to be evaluated under specified criteria. The CS clarifies that evaluation criteria applies to “projects within a designated freight logistics zone,” rather than “projects for designation as a freight logistics zone.”

- B. **Amendments:**

None.

By the Committee on Transportation; and Senator Ring

596-00649-14

2014136c1

1 A bill to be entitled
2 An act relating to freight logistics zones; creating
3 s. 311.103, F.S.; defining the term "freight logistics
4 zone"; authorizing a county, or two or more contiguous
5 counties, to designate a geographic area or areas
6 within its jurisdiction as a freight logistics zone;
7 requiring the adoption of a strategic plan that must
8 include certain information; providing that certain
9 projects within freight logistics zones may be
10 eligible for priority in state funding and certain
11 incentive programs; providing evaluation criteria for
12 freight logistics zones; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

15
16 Section 1. Section 311.103, Florida Statutes, is created to
17 read:

18 311.103 Designation of state freight logistics zones.—

19 (1) As used in this section, the term "freight logistics
20 zone" means a grouping of activities and infrastructure
21 associated with freight transportation and related services
22 within a defined area around an intermodal logistics center as
23 defined in s. 311.101(2).

24 (2) A county, or two or more contiguous counties, may
25 designate a geographic area or areas within its jurisdiction as
26 a freight logistics zone. The designation must be accompanied by
27 a strategic plan adopted by the county or counties. At a
28 minimum, the strategic plan must include, but is not limited to:

29 (a) A map depicting the geographic area or areas to be

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30 included within the designation.

31 (b) Identification of the existing or planned freight
32 facilities or logistics clusters located within the proposed
33 freight logistics zone.

34 (c) Identification of existing transportation
35 infrastructure, such as roads, rail, airports, and seaports,
36 within or in close proximity to the proposed freight logistics
37 zone.

38 (d) Identification of existing workforce availability
39 within or in close proximity to the proposed freight logistics
40 zone.

41 (e) Identification of any local, state, or federal
42 workforce training capabilities available for a business seeking
43 to locate or expand within the proposed freight logistics zone.

44 (f) Identification of any local, state, or federal plans,
45 including transportation, seaport, or airport plans, concerning
46 the movement of freight within or in close proximity to the
47 proposed freight logistics zone.

48 (g) Identification of financial or other local government
49 incentives to encourage new development, expansion of existing
50 development, or redevelopment within the proposed freight
51 logistics zone.

52 (h) Documentation that the plan is consistent with
53 applicable local government comprehensive plans and adopted
54 long-range transportation plans of a metropolitan planning
55 organization, where applicable.

56 (3) A project within a freight logistics zone designated
57 pursuant to this section which is consistent with the Freight
58 Mobility and Trade Plan developed in accordance with s.

596-00649-14

2014136c1

59 334.044(33) may be eligible for priority in state funding and
60 incentive programs relating to freight logistics zones,
61 including applicable programs identified in parts I, III, and V
62 of chapter 288.

63 (4) When evaluating projects within a designated freight
64 logistics zone to determine funding or incentive program
65 eligibility under this section, consideration must be given to
66 all of the following:

67 (a) The presence of an existing or planned intermodal
68 logistics center within the freight logistics zone.

69 (b) Whether the project serves a strategic state interest.

70 (c) Whether the project facilitates the cost-effective and
71 efficient movement of goods.

72 (d) The extent to which the project contributes to economic
73 activity, including job creation, increased wages, and revenues.

74 (e) The extent to which the project efficiently interacts
75 with and supports the transportation network.

76 (f) The amount of investment or commitments made by the
77 owner or developer of the existing or proposed facility.

78 (g) The extent to which the county or counties have
79 commitments with private sector businesses planning to locate
80 operations within the freight logistics zone.

81 (h) Demonstrated local financial support and commitment to
82 the project.

83 Section 2. This act shall take effect July 1, 2014.

THE FLORIDA SENATE

Waive

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-2-14

Meeting Date

Topic _____

Bill Number 136

Name Richard Gentry

Amendment Barcode 855186
(if applicable)

Job Title _____

Address 2305 BRAEBURN CIR.

Phone 251-1837

THH FL 32309
City State Zip

E-mail _____

Speaking: For Against Information

Representing ESCAMBIA COUNTY

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

Spoke

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/2/2014
Meeting Date

Topic _____

Bill Number 136
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

Speaking: For Against Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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Waive

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/2/14
Meeting Date

Topic SEAPORT / FREIGHT MOVEMENT

Bill Number 136
(if applicable)

Name MICHAEL RUBIN

Amendment Barcode _____
(if applicable)

Job Title VP GOVT AFFAIRS

Address 502 E JEFFERSON

Phone 272-2228

City TALL State FL Zip _____

E-mail _____

Speaking: For Against Information

Representing FLORIDA PORTS COUNCIL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting

THE FLORIDA SENATE
APPEARANCE RECORD

Waive

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-2-14

Meeting Date

Topic _____

Bill Number 136
(if applicable)

Name Richard Pinsky

Amendment Barcode _____
(if applicable)

Job Title _____

Address 106 E college Ave #1200
Street
Tallahassee FL 32301
City State Zip

Phone _____

E-mail _____

Speaking: For Against Information

Representing Port of Palm Beach

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

Waive

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/2/14

Meeting Date

Topic Freight Logistics Zones

Bill Number CS/SB136
(if applicable)

Name Jessica Baker

Amendment Barcode _____
(if applicable)

Job Title Lobbyist

Address _____
Street

Phone _____

City

State

Zip

E-mail jbaker@scclawfirm.com

Speaking: For Against Information

Representing Sarasota-Manatee Airport Authority

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/SB 876

INTRODUCER: Transportation Committee and Senator Galvano

SUBJECT: Motor Vehicle Crash Reports

DATE: March 31, 2014 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Fav/CS
2.	Carey	Martin	ATD	Favorable
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 876 relates to motor vehicle crash reports, and requires a sworn statement from the requestor for *each* individual crash report which is requested within the 60-day confidential and exempt period.

The bill has no fiscal impact.

II. Present Situation:

Traffic Crash Reports

A Florida Traffic Crash Report Long Form must be completed and submitted to the Department of Highway Safety and Motor Vehicles (DHSMV) within ten days after law enforcement completes an investigation of a motor vehicle crash that:

- Resulted in death, personal injury or any indication of pain or discomfort of any passengers involved in the crash;
- Resulted in damage to a vehicle or other property;¹

¹ Section 316.061(1)(a), Florida Statutes.

- Resulted in a driving under the influence violation;²
- Rendered a vehicle inoperable to a degree that required a wrecker to remove it from the crash scene; or
- Involved a commercial motor vehicle.

If the circumstances of the crash, as described above, do not require completion of the long form crash report, the law enforcement officer is required to complete a short-form crash report or provide a driver exchange-of-information form. The driver exchange-of-information form is completed by all drivers and passengers involved in the crash and requires the identification of each vehicle involved in the incident.

The information included on a crash report (both long and short form) must include:

- Date, time, and location of crash;
- Description of vehicles involved;
- Names and addresses of parties involved, including all drivers and passengers, and the identification of vehicles;
- Names and addresses of witnesses;
- Name, badge number, and law enforcement agency of the investigating officer; and
- Respective parties insurance companies;

Both long and short form crash reports prepared by a law enforcement officer must be submitted to the DHSMV and may be maintained by the law enforcement officer's agency.

Section 316.066, (2)(a), F.S., provides that crash reports revealing identity, home or employment telephone number or home or employment address of, or other personal information concerning the parties involved in the crash and held by any agency regularly receiving or preparing information from or concerning parties to motor vehicle crashes are confidential and exempt from s. 119.07(1), F.S., and s. 24(a), Art. I of the State Constitution, for a period of 60 days after the date the report is filed.

Crash reports held by an agency may be made immediately available to parties involved in the crash, their legal representatives, their licensed insurance agents, their insurers or insurers to which they have applied for coverage, persons under contract with such insurers to provide claims or underwriting information, prosecutorial authorities, law enforcement agencies, the Department of Transportation, county traffic operations, victim services programs, radio and television stations licensed by the Federal Communications Commission, newspapers qualified to publish legal notices under ss. 50.11 and 50.031, F.S.,^{3, 4} and free newspapers of general circulation, published once a week or more often, available and of interest to the public generally for the dissemination of news.

Any local, state, or federal agency that is authorized to have access to crash reports by any provision of law shall be granted such access in the furtherance of the agency's statutory duties.

² Section 316.193, Florida Statutes.

³ <http://www.flsenate.gov/Laws/Statutes/2013/50.011>

⁴ <http://www.flsenate.gov/Laws/Statutes/2013/50.031>

A person attempting to access a crash report within the 60 days after the date the report was filed must present a valid driver license or other photographic identification, proof of status, or identification that demonstrates his or her qualifications to access, and file a written sworn statement with the state or local agency in possession of the information stating that information from a crash report made confidential and exempt by this section will not be used for any commercial solicitation of accident victims, or knowingly disclosed to any third party during the time that information remains confidential and exempt. In lieu of requiring a written sworn statement, an agency may provide crash reports by electronic means to third-party vendors under contract with one or more insurers, but only when such a contract states that information from a crash report made confidential and exempt will not be used for commercial solicitation of accident victims by the vendors, or knowingly disclosed by the vendors to any third party for the purpose of such solicitation, during the period of time the information remains confidential and exempt, and only when a copy of such contract is furnished to the agency as proof of the vendor's claimed status.

The primary policy reason for closing access to crash reports for 60 days to persons or entities not specifically listed appears to be protection for crash victims and their families from illegal solicitation by attorneys. In its 2000 report on insurance fraud relating to personal injury protection coverage, the Fifteenth Statewide Grand Jury found that individuals called "runners" would pick up copies of crash reports filed with law enforcement agencies. The reports would then be used to solicit people involved in motor vehicle accidents. The Grand Jury found a strong correlation between illegal solicitations and the commission of a variety of frauds, including insurance fraud.

According to the Attorney General's Second Interim Report of the Fifteenth Statewide Grand Jury:

probably the single biggest factor contributing to the high level of illegal solicitations is the ready access to public accident reports in bulk by runners. These reports provide runners, and the lawyers and medical professionals who use them, the ability to contact large numbers of potential clients at little cost and with almost no effort. As a result, virtually anyone involved in a car accident in Florida is fair game to the intrusive and harassing tactics of solicitors. Such conduct can be emotionally, physically, and ultimately, financially destructive.

The Grand Jury found the access to crash reports, which provide individuals with the ability to contact large numbers of potential clients, is a violation of Florida's prohibition of crash report use for commercial solicitation purposes. According to the Grand Jury, virtually anyone involved in a car accident in the state is fair game to the intrusive and harassing tactics of solicitors.⁵

III. Effect of Proposed Changes:

Section 1 amends s. 316.066, F.S., to require a person who accesses a crash report within the required 60-day confidential and exempt period to file a written sworn statement with the state or

⁵ Second Interim Report of the Fifteenth Statewide Grand Jury, No. 95,746. (Fla. 2000).

local agency in possession of the requested information for *each* individual crash report that is being requested.

Section 2 provides that the bill shall be effective July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 316.066 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation Committee on March 13, 2014:

The CS removes the requirement directing the department to design a notice to be delivered via first-class mail or in person to all parties involved in a motor vehicle crash, where a traffic crash report is filed.

- B. **Amendments:**

None.

By the Committee on Transportation; and Senator Galvano

596-02559-14

2014876c1

1 A bill to be entitled
2 An act relating to motor vehicle crash reports;
3 amending s. 316.066, F.S.; requiring a statement to be
4 completed and sworn to for each confidential crash
5 report requested within a certain time period;
6 providing an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Subsection (2) of section 316.066, Florida
11 Statutes, is amended to read:

12 316.066 Written reports of crashes.—

13 (2) (a) Crash reports that reveal the identity, home or
14 employment telephone number or home or employment address of, or
15 other personal information concerning the parties involved in
16 the crash and that are held by any agency that regularly
17 receives or prepares information from or concerning the parties
18 to motor vehicle crashes are confidential and exempt from s.
19 119.07(1) and s. 24(a), Art. I of the State Constitution for a
20 period of 60 days after the date the report is filed.

21 (b) Crash reports held by an agency under paragraph (a) may
22 be made immediately available to the parties involved in the
23 crash, their legal representatives, their licensed insurance
24 agents, their insurers or insurers to which they have applied
25 for coverage, persons under contract with such insurers to
26 provide claims or underwriting information, prosecutorial
27 authorities, law enforcement agencies, the Department of
28 Transportation, county traffic operations, victim services
29 programs, radio and television stations licensed by the Federal

596-02559-14

2014876c1

30 Communications Commission, newspapers qualified to publish legal
31 notices under ss. 50.011 and 50.031, and free newspapers of
32 general circulation, published once a week or more often,
33 available and of interest to the public generally for the
34 dissemination of news. For the purposes of this section, the
35 following products or publications are not newspapers as
36 referred to in this section: those intended primarily for
37 members of a particular profession or occupational group; those
38 with the primary purpose of distributing advertising; and those
39 with the primary purpose of publishing names and other personal
40 identifying information concerning parties to motor vehicle
41 crashes.

42 (c) Any local, state, or federal agency that is authorized
43 to have access to crash reports by any provision of law shall be
44 granted such access in the furtherance of the agency's statutory
45 duties.

46 (d) As a condition precedent to accessing a crash report
47 within 60 days after the date the report is filed, a person must
48 present a valid driver license or other photographic
49 identification, proof of status, or identification that
50 demonstrates his or her qualifications to access that
51 information, ~~and~~ and file a written sworn statement with the state
52 or local agency in possession of the information stating that
53 information from a crash report made confidential and exempt by
54 this section will not be used for any commercial solicitation of
55 accident victims, or knowingly disclosed to any third party for
56 the purpose of such solicitation, during the period of time that
57 the information remains confidential and exempt. Such written
58 sworn statement must be completed and sworn to by the requesting

596-02559-14

2014876c1

59 party for each individual crash report that is being requested
60 within 60 days after the report is filed. In lieu of requiring
61 the written sworn statement, an agency may provide crash reports
62 by electronic means to third-party vendors under contract with
63 one or more insurers, but only when such contract states that
64 information from a crash report made confidential and exempt by
65 this section will not be used for any commercial solicitation of
66 accident victims by the vendors, or knowingly disclosed by the
67 vendors to any third party for the purpose of such solicitation,
68 during the period of time that the information remains
69 confidential and exempt, and only when a copy of such contract
70 is furnished to the agency as proof of the vendor's claimed
71 status.

72 (e) This subsection does not prevent the dissemination or
73 publication of news to the general public by any legitimate
74 media entitled to access confidential and exempt information
75 pursuant to this section.

76 Section 2. This act shall take effect July 1, 2014.

APPEARANCE RECORD

Spoke

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/12/2014

Meeting Date

Topic _____

Bill Number 1480

(if applicable)

Name BRIAN PITTS

Amendment Barcode _____

(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

Speaking: For Against Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

Waive

THE FLORIDA SENATE

APPEARANCE RECORD

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4/2/14

Meeting Date

Topic Micro finance

Bill Number SB 1480
(if applicable)

Name David Cruz

Amendment Barcode _____
(if applicable)

Job Title Assistant general Counsel

Address P.O. Box 1757

Phone 701-3076

Street

Tallahassee FL 32302

E-mail DCRUZ@FLcities.com

City

State

Zip

Speaking: For Against Information

Representing Florida League of Cities

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting



642578

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/02/2014	.	
	.	
	.	
	.	

Appropriations Subcommittee on Transportation, Tourism, and Economic Development (Gibson) recommended the following:

Senate Amendment

Delete lines 557 - 560
and insert:

(h) The number of microloan applications received by the loan administrator, including the number of applications from minority business enterprises and disadvantaged business enterprises;

(i) The number, duration, and location of microloans made by the loan administrator, including the number of microloans



642578

11 made to minority business enterprises and disadvantaged business
12 enterprises;



793252

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/02/2014	.	
	.	
	.	
	.	

Appropriations Subcommittee on Transportation, Tourism, and
Economic Development (Gibson) recommended the following:

Senate Amendment

Delete line 232
and insert:
of understanding with the network and the Office of Supplier
Diversity:

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/SB 1480

INTRODUCER: Commerce and Tourism Committee and Senator Benacquisto

SUBJECT: Microfinance

DATE: March 31, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Malcolm	Hrdlicka	CM	Fav/CS
2.	Pingree	Martin	ATD	Favorable
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1480 creates the Florida Microfinance Act to provide entrepreneurs and small businesses in Florida access to credit. The act consists of two programs: a loan program and a guarantee program.

Under the loan program, the Department of Economic Opportunity (DEO) will competitively award funds to no more than three eligible loan administrators who will in-turn provide a 1:1 match to make short-term, microloans of up to \$50,000 to entrepreneurs and small businesses. The borrower must participate in business training and technical assistance provided by the Florida Small Business Development Network.

Under the guarantee program, Enterprise Florida, Inc., (EFI) will utilize state funds to guarantee loans made by private lenders to entrepreneurs and small businesses in Florida. Loan guarantees may only be provided on loans between \$50,000 and \$250,000, and a guarantee cannot exceed 50 percent of the total loan amount.

Under both programs, eligibility is limited to borrowers who are entrepreneurs or small businesses with 25 or fewer employees and gross annual revenues of up to \$1.5 million.

The DEO and EFI must report annually on the programs.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) must prepare a report that analyzes, evaluates, and determines the economic benefits of the first 3 years of the programs. The OPPAGA is also required to evaluate the federal State Small Business Credit Initiative in Florida.

The bill appropriates \$10 million in nonrecurring funds from the General Revenue Fund to the DEO to implement the act, of which up to \$100,000 may be spent by the DEO and EFI to market and promote the act. The bill also authorizes 1 full-time equivalent position and provides recurring funds from state economic development trust funds to support the position for the DEO to implement the act.

II. Present Situation:

Small Business Access to Credit

Growing businesses of all sizes need access to resources, particularly capital and credit. While access to credit is important to all businesses, it is significantly important to entrepreneurs and small businesses due to the unique circumstances inherent in their operations.¹ Not only is access to credit important for business growth, studies indicate there is a correlation between a small business owner's ability to get financing and his or her ability to hire.²

Despite the recognized necessity, importance, and employment benefits of access to credit, entrepreneurs and small businesses frequently cite the lack of access to capital and credit as impediments to growth.³ Although nation-wide surveys appear to indicate credit is becoming more available to small businesses,⁴ Florida-specific studies indicate lack of access to credit remains problematic for Florida small businesses. For example, a recent report issued by the The Office of Program Policy Analysis and Government Accountability (OPPAGA) indicates that economic development organizations and business associations report that access to capital was more of a barrier to small business growth than for larger businesses.⁵ Similarly, surveys conducted by the Florida Chamber of Commerce indicate that access to capital is the top issue facing the state's small businesses.⁶ As the survey indicated, the demand for credit by entrepreneurs and small businesses is outpacing its availability.⁷

¹ For example, a small business owner may need a small, short-term loan of \$10,000 to cover a month's payroll while it waits for its first payment from a new, long-term client. Michelle A. Samaad, *Microloans Can Boost Loan Production Without Threatening Cap: Filene*, Credit Union Times (Sept. 24, 2013) available at <http://www.cutimes.com/2013/09/24/microloans-can-boost-loan-production-without-threa?ref=hp&t=lending> (last visited Mar. 8, 2014).

² National Small Business Association, *Small Business Access to Capital Survey*, 2 (July 2012) available at <http://www.nsba.biz/wp-content/uploads/2012/07/Access-to-Capital-Survey.pdf> (last visited Mar. 8, 2014).

³ See Dave Grace, *Microloan Feasibility Study: Can Small Business Lending Become Big Business For Credit Unions*, Filene Research Institute, 15 (Sept. 6, 2013) (copy on file with the Committee on Commerce and Tourism).

⁴ See National Small Business Association, *2013 Year-End Economic Report*, 10 (Feb. 28, 2014) available at <http://www.nsba.biz/wp-content/uploads/2014/02/2013-Year-End-Economic-Report.pdf> (last visited Mar. 15, 2014).

⁵ OPPAGA, *Status of Florida's Efforts to Address Challenges to Business Establishment and Expansion*, Report No. 14-04, 3 (Jan. 2014) available at <http://www.oppaga.state.fl.us/Summary.aspx?reportNum=14-04> (last visited Mar. 7, 2014).

⁶ Florida Chamber of Commerce, *Florida Small Business Index: 2012-2013 Quarter 4 Survey Results*, 4, http://www.flchamber.com/wp-content/uploads/SBC-Index-Report_October-2013.pdf (last visited Mar. 7, 2014).

⁷ Grace, *Microloan Feasibility Study* at 7.

This gap between the demand for credit by entrepreneurs and small businesses and the limited availability of such credit is due to the unique characteristics and challenges of entrepreneurship and small business operations, and the smaller the business the more pronounced the problems of accessing credit.⁸ Many entrepreneurs and small businesses lack the assets necessary for a traditional bank loan, making them a riskier lending option for banks.⁹ Additionally, entrepreneurs and small businesses generally have minimal, or in some instances no, credit history.¹⁰ Lenders may also be reluctant to lend to entrepreneurs and small businesses with innovative products because it might be difficult to collect enough reliable information to correctly estimate the risk for such products.¹¹

Two common solutions used to address the lack of access to capital and credit to entrepreneurs and small businesses are microloans and loan guarantees.

Microloans

Unlike well-established medium and large businesses, early-stage entrepreneur and small business credit needs are generally met through low principal, short-term loans. These loans, frequently called “microloans” have lower principal amounts and shorter repayment terms than traditional business loans.¹² Such small, short-term loans are generally not profitable for lenders because of the originating, processing, and servicing costs associated with such loans. The small size of microloans means that lender fees do not provide sufficient profit to justify making these loans. Many microloan applicants also need considerable training and technical assistance to effectively manage and build the business. These ancillary costs further reduce the attractiveness of such loans to traditional lenders. Lastly, as noted above, borrowers of such loans generally have a limited amount of collateral available, which makes them riskier to lenders.¹³

One common solution to make credit available to entrepreneurs and small businesses is to make microloans more profitable for lenders by providing lenders with access to low-cost capital. In this situation, a lender is provided with low-cost capital and the lender in-turn mixes the low-cost capital with other sources of capital to provide the microloans. Providing low-cost capital to a lender reduces the lender’s cost to make loans and reduces its overall risk exposure which increases the likelihood that it will provide loans to entrepreneurs and small businesses that the lender would otherwise deny.

A frequent recommendation of small business development and finance experts is that successful microloan programs be tied to business development training and technical assistance.¹⁴ Tying

⁸ *Id.*

⁹ *Small Business Access to Capital Survey* at 2.

¹⁰ Congressional Research Service, *Small Business Access to Capital and Job Creation*, 1 (Feb. 18, 2014) available at <https://www.fas.org/sgp/crs/misc/R40985.pdf> (last visited Mar. 8, 2014).

¹¹ *Id.*

¹² U.S. Dep’t. of Treasury, *Micro Enterprise Lending: Community Equity Investments, Inc.*, 2 (on file with the Committee on Commerce and Tourism); Grace, *Microloan Feasibility Study* at 5.

¹³ *Id.*

¹⁴ Grace, *Microloan Feasibility Study* at 22-23; Office of Program Policy Analysis and Government Accountability, *Legislature Should Consider Lessons Learned If It Wishes to Create a Microenterprise Development Program*, Report No.

business development training and technical assistance to microloans ensures that borrowers develop the skills necessary to successfully manage and grow their businesses. Additional suggested practices for microloan programs include requiring personal guarantees in addition to traditional collateral requirements,¹⁵ developing special underwriting criteria,¹⁶ and implementing proactive loan referral efforts.¹⁷

Loan Guarantees

An additional solution designed to make credit available to entrepreneurs and small businesses is to provide a guarantee on all or a portion of a loan made by a third-party lender to an entrepreneur or small business. Under a guarantee, the guarantor (the entity providing the guarantee) agrees to protect the lender against all or part of the loss if a borrower defaults on the loan. Similar to microloan funding, a loan guarantee reduces the lender's overall risk exposure which increases the likelihood it will provide loans to entrepreneurs and small businesses that the lender would otherwise deny.

Funds allocated to provide guarantees may be leveraged to allow more loans to be guaranteed, which encourages greater loan-making. For example, a three to one leverage means that \$1 million of allocated funds may guarantee \$3 million in loans, which may be in one loan or multiple loans. The risk of leveraging is that an increase in the leverage ratio increases the exposure of the guarantee funds to cover defaulted loans due to the increased loan-making by lenders. However, steps can be taken to mitigate against this exposure, such as providing a leverage ceiling or requiring a set-aside of a percentage of all loan guarantees to protect against extraordinary losses.¹⁸

Small Business Finance Programs in Florida

Currently, the Department of Economic Opportunity (DEO) and Enterprise Florida, Inc. (EFI) administer a number of business financing programs including the Black Business Loan Program,¹⁹ Economic Gardening Business Loan Pilot Program,²⁰ Rural Community Development Revolving Loan Fund,²¹ and Florida Export Finance Corporation.²² The DEO and EFI also administer the federal State Small Business Credit Initiative (SSBCI), which provides a number of business finance tools, including a loan guarantee program, to states to stimulate small business development.²³ These existing state small business finance programs and the SSBCI are

06-77, 3, (Dec. 2006) available at <http://www.oppaga.state.fl.us/Summary.aspx?reportNum=06-77> (last visited Mar. 7, 2014).

¹⁵ Grace, *Microloan Feasibility Study* at 19-20.

¹⁶ Grace, *Microloan Feasibility Study* at 23-24.

¹⁷ Grace, *Microloan Feasibility Study* at 25.

¹⁸ U.S. Dep't. of Treasury, SSBCI Program Profile: Loan Guarantee Program, 3 (May 17, 2011) available at [http://www.treasury.gov/resource-center/sb-programs/Documents/SSBCI Program Profile Loan Guarantee FINAL May 17.pdf](http://www.treasury.gov/resource-center/sb-programs/Documents/SSBCI%20Program%20Profile%20Loan%20Guarantee%20FINAL%20May%2017.pdf) (last visited Mar. 15, 2014).

¹⁹ Section 288.7102, F.S.

²⁰ Section 288.1081, F.S.

²¹ Section 288.065, F.S.

²² Section 288.773, F.S.

²³ U.S. Dep't of Treasury, State Small Business Credit Initiative (SSBCI) (Jan. 22, 2014) available at <http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx> (last visited Mar. 17, 2014).

generally intended to provide access to credit to small businesses with established credit records and sufficient collateral, rather than the smallest businesses and entrepreneurs for whom access to credit is an acute problem.

From 2002 to 2006, the former Department of Community Affairs administered the Florida Front Porch Microloan program, which provided microloans of up to approximately \$35,000.²⁴ This program ended in 2006 due to underutilization.²⁵

In addition to small business finance programs, the Florida Small Business Development Center Network provides consulting and training to early-stage and small and medium-sized businesses in Florida.²⁶

III. Effect of Proposed Changes:

Sections 1 and 2 create part XIV of ch. 288, F.S., entitled “Microfinance Programs” and cited as the “Florida Microfinance Act,” consisting of ss. 288.993-288.9937, F.S., created in the bill.

Section 3 creates s. 288.9931, F.S., providing legislative findings regarding the lack of available credit to entrepreneurs and small businesses in this state. The bill states it is the Legislature’s intent to address this difficulty through the creation of a program that provides access to credit in conjunction with training and technical assistance to entrepreneurs and small businesses.

Microfinance Loan Program

Section 6 creates s. 288.9934, F.S., the Microfinance Loan Program, which is established in the Department of Economic Opportunity (DEO) to make short-term, fixed-rate microloans in conjunction with business training and technical assistance to entrepreneurs and small businesses.²⁷ Participation in the loan program is intended to enable entrepreneurs and small businesses to gain access to private financing upon completing the loan program. Funds appropriated to the loan program must be reinvested and maintained as a long-term and stable source of funding for the loan program.

Loan Administrator Eligibility

The DEO must competitively procure and contract with up to three loan administrators to administer the loan program for 3 years. A qualified loan administrator must:

- Be a corporation registered in this state;
- Not offer checking or savings accounts;

²⁴ OPPAGA Report 06-77 at 2. The program was not codified in statute but was instead created and funded through the budget process. See Comm. on Community Affairs, The Florida Senate, *Department of Community Affairs - Review of the Front Porch Florida Initiative*, 1, 3 (Interim Report 2008-110) (Oct. 2007).

²⁵ *Id.*

²⁶ Section 288.001, F.S.

²⁷ “Entrepreneur” is defined in s. 288.9932, F.S., which is created in section 4 of the bill, as “an individual residing in this state who desires to assume the risk of organizing, managing, and operating a small business in this state.” “Small business” is likewise defined in s. 288.9932, F.S., as “a business, regardless of corporate structure, domiciled in this state which employs 25 or fewer people and generated average annual gross revenues of \$1.5 million or less per year for the preceding 2 years.”

- Demonstrate that its board of directors and managers are experienced in microlending and small business finance and development;
- Demonstrate it has the resources and expertise to analyze and evaluate entrepreneurs and small businesses applying for microloans; underwrite and service microloans; and coordinate business training and technical assistance.
- Demonstrate that it has established partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks; and
- Demonstrates that it has a plan that includes proposed microlending activities under the loan program.

To ensure that prospective loan administrators meet these qualifications, a loan administrator must submit the following information with its proposal:

- The types of entrepreneurs and small businesses it has made loans to in the past, including the average size and terms of loans;
- The microlending and small business finance and development experience of its directors and managers;
- Its underwriting and credit policies and procedures, monitoring policies and procedures, collection practices, and samples of loan documentation;
- The nonstate funding that will be used in conjunction with state funds;
- Its three most recent financial audits or, if no prior audits have been completed, its three most recent unaudited financial statements; and
- A conflict of interest statement certifying that no board member, employee, or other person affiliated with the loan administrator, or any immediate family member²⁸ thereof, will receive any compensation from an entrepreneur or small businesses that will receive state funds under the loan program.²⁹

Loan Administrator Funding Conditions

A contracted loan administrator will receive state funds from the DEO that must be repaid at the end of the 3-year contract. The DEO may charge annual interest on the state funds of up to 80 percent of the Federal Funds Rate, and the loan administrator must provide an assignment of all notes receivable of its microloans made under the loan program as collateral to the DEO. The DEO must establish performance measures and objectives for the loan program and loan administrators to maximize state funds. The contract with the loan administrator must specify any sanctions for the loan administrator's failure to comply with the contract or the act. However, the DEO is prohibited from reviewing microloans made by a loan administrator before they are approved by the loan administrator.

State funds may only be used by a loan administrator to provide direct microloans to entrepreneurs and small businesses according to limitations and conditions described below (see *Borrower Eligibility and Conditions* below). State funds may not exceed 50 percent of any microloan made by the loan administrator, and with the exception of a one-time administrative servicing fee of 1 percent of the total award amount, funds may not be used to pay any costs

²⁸ "Immediate family" is defined in the bill as "a parent, child, or spouse, or any other relative by blood, marriage, or adoption, of a board member, employee, or agent of the loan administrator."

²⁹ The department may waive this requirement for good cause shown.

associated with providing microloans, business training, or technical assistance. The loan administrator may not recoup this fee, or charge any other fees or costs to borrowers except those expressly provided in the act. The loan administrator must also reserve 10 percent of the state funds to provide microloans to certain ultra-small entrepreneurs and businesses that employ less than six people and generate annual gross revenues of less than \$250,000.

Additionally, within 30 days of executing its contract with the DEO, the loan administrator must enter into a memorandum of understanding with the Florida Small Business Development Network (SBDN) that requires the SBDN to provide business management and development training and technical assistance to entrepreneurs and small businesses receiving microloans under the loan program, and to promote the loan program to underserved entrepreneurs and small businesses. By September 1, 2014, the DEO must review industry best practices and determine the minimum business training and technical assistance that must be provided by the SBDN.

Borrower Eligibility and Conditions

To be eligible for a microloan, an entrepreneur or small business must be located in this state and submit an application along with an application fee of up to \$50 to a contracted loan administrator. Microloans may be up to \$50,000 and up to 1 year in duration with interest rates up to the prime rate published in the Wall Street Journal, plus 1000 basis points.³⁰ A borrower may receive a maximum of \$75,000 in total microloans per year and may receive a maximum of two microloans per year and five microloans in a 3-year period.

Proceeds from a microloan can only be used for startup costs, working capital, and to purchase materials, supplies, furniture, fixtures, and equipment. Microloans may not be made if the microloan proceeds will be used to:

- Pay off creditors;
- Provide funds, directly or indirectly, for payment, distribution, or as a microloan to owners, partners, or shareholders of the business, except as ordinary compensation for services rendered;
- Finance the purchase, construction, or improvement of real property held for sale or investment;
- Pay for lobbying activities; or
- Replenish funds used for any of the above purposes.

As a condition of receiving a microloan, the borrower must personally guarantee the microloan, participate in business training and technical assistance, and provide information regarding job creation and financial data to the loan administrator. The loan administrator may collect late payment fees that are consistent with standard business lending practices and may recover costs and fees incurred for any collection efforts due to the borrower's default.

³⁰ 1 basis point equals 0.01 percent. As of March 10, 2014, the Wall Street Journal prime rate was 3.25. The Wall Street Journal, *Market Media Center* (Mar. 7, 2014) available at http://online.wsj.com/mdc/public/page/2_3020-moneyrate.html?mod=topnav_2_3010 (last visited Mar. 10, 2014).

Funding and Implementation by the DEO

A loan administrator must meet the requirements of the act, the terms of its contract with the DEO, and any other applicable laws to be eligible to receive funds. If the loan program is appropriated funding, the DEO must distribute funds to the loan administrators within 30 days of the execution of the contracts with the loan administrators. The total amount of funding awarded to loan administrators in a fiscal year may not exceed the amount appropriated for that fiscal year. If the funds appropriated to the loan program exceed the amount of funds awarded to the loan administrators, the excess funds will revert back to the General Revenue Fund.

With the exception of funds appropriated to the loan program, the credit of the state may not be pledged. The state is not liable or obligated for claims on the loan program or against a loan administrator or the DEO.

In implementing the loan program, the DEO must be guided by the 5-year statewide strategic plan adopted pursuant to s. 20.60(5), F.S. The DEO must also promote and advertise the loan program by cooperating with public and private organizations to organize, host, or participate in events for entrepreneur and small business development.

The DEO must implement a study by December 31, 2014, to identify best practices to increase access to credit to entrepreneurs and small businesses in this state. The study must explore the ability and limitations of Florida nonprofit organizations and private financial institutions to expand access to credit to entrepreneurs and small businesses in this state.

Loan Administrator Repayment of Award Funds

After collecting interest and permitted fees or costs in satisfaction of all microloans, a loan administrator must remit to the DEO the microloan principal collected from all microloans made by the loan administrator with state funds. Repayment of microloan principal may be deferred up to 6 months; however, the loan administrator may not provide a microloan after its contract with the DEO expires.

If a loan administrator is unable to make repayments to the DEO in accordance with its contract, the DEO may accelerate maturity of the state funds and demand repayment in full. In this event, or if a loan administrator violates the act or the terms of its contract, the loan administrator must surrender possession of all collateral to the DEO. Any loss or deficiency greater than the value of the collateral may be recovered by the DEO from the loan administrator. In the event of a loan administrator's default, termination of the contract, or violation of the act, the state may, in addition to any other remedy provided by law, bring suit to enforce its interest. Additionally, a microloan borrower's default does not relieve a loan administrator of its obligation to repay any state funds to the DEO.

Contract Termination

A loan administrator's contract with the DEO may be terminated upon a finding by the DEO that the loan administrator:

- Has, within the previous five years, participated in a state-funded economic development program in any state and failed to comply with the requirements of that program;

- Is currently in material noncompliance with any statute, rule, or program administered by the DEO;
- Has members of its board, officers, partners, managers, or shareholders that have pled no contest or been found guilty of any crime involving fraud, misrepresentation, or dishonesty;
- Failed to meet or agree to the terms of its contract with the DEO or failed to comply with the act; or
- Provided fraudulent or misleading information to the DEO.

If the contract is terminated for any of the above reasons, the loan administrator must immediately return all state funds, including any interest, costs, and fees it would otherwise be entitled to retain.

The loan administrator's contract may be terminated at any time for any reason upon 30 days' notice by the DEO. In such case, the loan administrator must return all state funds to the DEO within 60 days of the termination. However, the loan administrator may retain any interest, costs, and fees it has collected. The loan administrator's contract may also be terminated by the loan administrator at any time for any reason upon 30 days' notice by the loan administrator. In such case, the loan administrator must return all state funds to the DEO, including any interest, costs, and fees it has retained or would otherwise be entitled to retain, within 30 days of the termination.

Loan Administrator Auditing

A loan administrator must submit quarterly reports to the DEO (see *Loan Administrator Quarterly Reports* below) and must also make its books and records related to the loan program available to the DEO or its designee for inspection upon reasonable notice. Additionally, a loan administrator must submit an annual financial audit performed by an independent certified public accountant and an operational performance audit for the most recently completed fiscal year to the DEO. Both audits must indicate whether any material weakness or instances of material noncompliance are found.

Loan Administrator Quarterly Reports

Loan administrators must submit reports on at least a quarterly basis that include the number of microloan applications received, the number of microloans made, the amount and interest rate of each microloan made, the amount of technical assistance or business training provided, the number of full-time equivalent jobs created as a result of the microloans, the amount of wages paid to employees in the newly created jobs, industry data regarding the borrower's business, and the borrower's locations (Section 8, creating s. 288.9936, F.S.).

Annual Report of the Microfinance Loan Program

Section 8 creates s. 288.9936, F.S., requiring the DEO to provide a detailed report of the Microfinance Loan Program in the department's annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must include:

- A description of the loan program, including an evaluation of application and funding activities, recommendations for change, and identification of any overlapping state programs;
- The financial institutions, organizations, and individuals participating in the loan program;

- An assessment of the availability of and access to credit for entrepreneurs and small businesses in this state;
- A summary of the financial and employment results of the entities receiving microloans;
- The number of full-time equivalent jobs created as a result of the microloans and the amount of wages paid to employees in the newly created jobs;
- The number and location of prospective loan administrators that responded to the DEO's request for proposals;
- The amount of state funds awarded to loan administrators;
- The number of microloan applications received by loan administrators;
- The number, duration, and location of microloans made by loan administrators;
- The number and amount of microloans outstanding, with payments overdue, or in default, if any;
- The repayment history of the microloans made;
- The repayment history and performance of funding awards;
- An evaluation of the loan program's ability to meet the financial performance measures and objectives established by the DEO; and
- A description and evaluation of the technical assistance and business training provided by the SBDN.

Microfinance Guarantee Program

Section 7 creates s. 288.9935, F.S., the Microfinance Guarantee Program, which is established in the DEO to provide targeted guarantees for loans made to entrepreneurs and small businesses. Funds appropriated to the guarantee program must be reinvested and maintained as a long-term and stable source of funding for the guarantee program.

Loan Guarantee Administration

The DEO must enter into a contract with Enterprise Florida, Inc., (EFI) to administer the guarantee program. In administering the guarantee program, EFI must:

- Establish lender³¹ and borrower eligibility requirements in addition to those provided in the bill;
- Determine a reasonable leverage ratio of loan amounts guaranteed to state funds; the leverage ratio may not exceed three to one;
- Establish reasonable fees and interest;
- Promote the guarantee program to financial institutions that provide loans to entrepreneurs and small businesses;
- Enter into a memorandum of understanding with the SBDN to promote the guarantee program;
- Establish limits on the total amount of loan guarantees a single lender can receive;
- Establish an average loan guarantee amount;
- Establish a risk-sharing strategy to be used in the event of a loan failure; and
- Establish financial performance measures and objectives for the guarantee program.

³¹ A "lender" for purposes of the guarantee program is defined in section 7 of the bill as "a financial institution defined in s. 655.005."

EFI may not use state funds to cover the costs of administering the guarantee program.

Loan Guarantee Eligibility and Limitations

To be eligible to receive a loan guarantee, a borrower must be an entrepreneur or small business located in this state, employ 25 or fewer people, generate average annual gross revenues up to \$1.5 million per year for the last 2 years, and meet any other requirements established by EFI.

Loan guarantees may only be provided on loans between \$50,000 and \$250,000 and may not exceed 50 percent of the total loan amount. EFI may not guarantee a loan if the loan proceeds will be used to:

- Pay off the borrower's creditors;
- Provide funds, directly or indirectly, for payment, distribution, or as a loan to owners, partners, or shareholders of the borrower, except as ordinary compensation for services rendered;
- Finance the purchase, construction, or improvement, of real property held for sale or investment;
- Pay for lobbying activities; or
- Replenish funds used for any of the above purposes.

The credit of the state or EFI, may not be pledged except for funds appropriated to the guarantee program. The state is not liable or obligated for claims on the guarantee program or against EFI or the DEO.

EFI Annual Loan Guarantee Report

By October 1 of each year, EFI must submit an annual report to the DEO for inclusion in the department's annual report. EFI's report must include:

- A description of the guarantee program, including an evaluation of its application and guarantee activities, recommendations for change, and identification of any overlapping state programs;
- An assessment of the current availability of and access to credit for entrepreneurs and small businesses in this state;
- A summary of the financial and employment results of the entrepreneurs and small businesses receiving loan guarantees;
- Industry data about the borrowers;
- The name and location of lenders receiving loan guarantees;
- The amount of state funds received by EFI;
- The number of loan guarantee applications received;
- The number, duration, location, and amount of guarantees made;
- The number and amount of guaranteed loans outstanding, with payments overdue, and in default, if any;
- The repayment history of the guaranteed loans made; and
- An evaluation of the guarantee program's ability to meet the financial performance measures and objectives established by EFI.

OPPAGA Evaluation of the Microfinance Loan and Microfinance Guarantee Programs

Section 9 creates s. 288.9937, F.S., requiring the the Office of Program Policy Analysis and Government Accountability (OPPAGA) prepare a report that analyzes, evaluates, and determines the economic benefits³² of the first 3 years of the Microfinance Loan Program and the Microfinance Guarantee Program. The analysis must also evaluate the number of jobs created, the effect on personal income, and the impact on state gross domestic product from the state's investment in the programs. The analysis must also identify any inefficiencies in the programs and provide recommendations for changes. The report must be provided to the President of the Senate and the Speaker of the House of Representatives by January 1, 2018. This section expires January 31, 2018.

Additionally, the OPPAGA is directed to evaluate the effectiveness and return on investment of the State Small Business Credit Initiative³³ operated in this state (Section 8, creating s. 288.9936, F.S.). The report must be provided to the President of the Senate and the Speaker of the House of Representatives by January 1, 2015.

Section 4 creates s. 288.9932, F.S., to define terms used in the act.

Section 5 authorizes the DEO to adopt rules to implement the act.

Section 10 permits the DEO to adopt emergency rules in order to implement the act until October 1, 2015. Emergency rules will remain in effect for 6 months and may be renewed until permanent rules addressing the subject of the emergency rules are adopted.

Section 11 provides a nonrecurring appropriation of \$10 million for Fiscal Year 2014-2015 from the General Revenue Fund to the DEO to implement the act, of which up to \$100,000 may be spent by the DEO and EFI to market and promote the act. The bill also authorizes 1 full-time equivalent position, provides salary rate of 55,000, and a total of \$84,696 from state economic development trust funds to the DEO to implement the act (*See Section V. for additional information*).

Section 12 provides an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

³² "Economic benefits" are defined in s. 288.005, F.S., as "the direct, indirect, and induced gains in state revenues as a percentage of the state's investment."

³³ 12 U.S.C. ss. 5701 et seq.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Approximately 300,000 businesses in Florida employ 25 or fewer employees and generate less than \$1.5 million in gross annual revenues. The microloan and loan guarantee programs created in CS/SB 1480 may benefit these businesses.

C. Government Sector Impact:

According to the Department of Economic Opportunity (DEO), it will need at least one additional full-time equivalent (FTE) position to administer the programs.³⁴ CS/SB 1480 includes the following funding to implement the act in Fiscal Year 2014-2015:

- \$10,000,000 of nonrecurring funds from the General Revenue Fund for the Microfinance Loan Program and Microfinance Guarantee Program created in the bill. Of this amount, the DEO and EFI may spend up to \$100,000 to market and promote the programs.
- One FTE position and 55,000 of salary rate and a total of \$84,696 to support the position, as follows:
 - \$67,777 from the State Economic Enhancement and Development Trust Fund, of which \$3,018 is nonrecurring revenue;
 - \$13,535 from the Tourism Promotional Trust Fund, of which \$604 is nonrecurring revenue; and
 - \$3,384 from the Florida International Trade and Promotion Trust Fund, of which \$151 is nonrecurring revenue.

The bill specifically provides that Enterprise Florida, Inc. may not use funds appropriated from the state for costs associated with administering the guarantee program.

The bill requires that microloan borrowers participate in business management training, business development training, and technical assistance as determined by the loan administrator in the microloan agreement. The bill specifically provides that state funds may not be used to pay administrative costs, underwriting costs, servicing costs, or any other costs associated with providing microloans, business management training, business development training, or technical assistance.

³⁴ DEO, *Agency Analysis: SB 1480*, 6 (on file with the Committee on Commerce and Tourism).

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill authorizes the Department of Economic Opportunity (DEO) to adopt rules to implement the act. The bill also grants the DEO emergency rulemaking authority.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 288.993, 288.9931, 288.9932, 288.9933, 288.9934, 288.9935, 288.9936, and 288.9937.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism Committee on March 24, 2014:

Related to the loan program, the committee substitute:

- Clarifies that the interest rate charged by the DEO to a loan administrator is an annual interest rate.
- Clarifies that loan administrators may retain the interest they charge on microloans.
- Clarifies under what conditions a loan administrator is required to return interest, fees, and costs to the DEO.
- Updates the conflict of interest policy required by a loan administrator to include the immediate family of a board member, employee, or agent.
- Requires the loan program to be evergreen.
- Clarifies what information a loan administrator must provide in its quarterly report to the DEO.

Related to the guarantee program, the committee substitute prohibits EFI from using appropriated funds to pay for administrative costs.

The committee substitute also provides an appropriation of \$10 million to fund the programs, of which \$100,000 is for marketing, and provides 1 FTE and \$84,696 from state economic development trust funds for the DEO to implement the bill.

- B. **Amendments:**

None.

By the Committee on Commerce and Tourism; and Senator Benacquisto

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1 A bill to be entitled
2 An act relating to microfinance; creating Part XIV of
3 ch. 288, F.S., consisting of ss. 288.993-288.9937,
4 F.S., relating to microfinance programs; creating s.
5 288.993, F.S.; providing a short title; creating s.
6 288.9931, F.S.; providing legislative findings and
7 intent; creating s. 288.9932, F.S.; defining terms;
8 creating s. 288.9933, F.S.; authorizing the Department
9 of Economic Opportunity to adopt rules to implement
10 this part; creating s. 288.9934, F.S.; establishing
11 the Microfinance Loan Program; providing a purpose;
12 defining the term "loan administrator"; requiring the
13 Department of Economic Opportunity to contract with at
14 least one entity to administer the program; requiring
15 the loan administrator to contract with the department
16 to receive an award of funds; providing other terms
17 and conditions to receiving funds; specifying fees
18 authorized to be charged by the department and the
19 loan administrator; requiring the loan administrator
20 to remit the microloan principal collected from all
21 microloans made with state funds received by the loan
22 administrator; providing for contract termination;
23 providing for auditing and reporting; requiring
24 applicants for funds from the Microfinance Loan
25 Program to meet certain qualifications; requiring the
26 department to be guided by the 5-year statewide
27 strategic plan and to advertise and promote the loan
28 program; requiring the department to perform a study
29 on methods and best practices to increase the

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30 availability of and access to credit in this state;
31 prohibiting the pledging of the credit of the state;
32 authorizing the department to adopt rules; creating s.
33 288.9935, F.S.; establishing the Microfinance
34 Guarantee Program; defining the term "lender";
35 requiring the department to contract with Enterprise
36 Florida, Inc., to administer the program; prohibiting
37 Enterprise Florida, Inc., from guaranteeing certain
38 loans; requiring borrowers to meet certain conditions
39 before receiving a loan guarantee; requiring
40 Enterprise Florida, Inc., to submit an annual report
41 to the department; prohibiting the pledging of the
42 credit of the state or Enterprise Florida, Inc.;
43 creating s. 288.9936, F.S.; requiring the department
44 to report annually on the Microfinance Loan Program;
45 requiring the Office of Program Policy Analysis and
46 Government Accountability to report on the
47 effectiveness of the State Small Business Credit
48 Initiative; creating s. 288.9937, F.S.; requiring the
49 Office of Program Policy Analysis and Government
50 Accountability to evaluate and report on the
51 Microfinance Loan Program and the Microfinance
52 Guarantee Program by a specified date; authorizing the
53 executive director of the Department of Economic
54 Opportunity to adopt emergency rules; providing an
55 appropriation to the Department of Economic
56 Opportunity; authorizing the Department of Economic
57 Opportunity and Enterprise Florida, Inc., to spend a
58 specified amount for marketing and promotional

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59 purposes; authorizing and providing an appropriation
60 for one full-time equivalent position; providing an
61 effective date.

62
63 Be It Enacted by the Legislature of the State of Florida:

64
65 Section 1. Part XIV of chapter 288, Florida Statutes,
66 consisting of ss. 288.993-288.9937, is created and entitled
67 "Microfinance Programs."

68 Section 2. Section 288.993, Florida Statutes, is created to
69 read:

70 288.993 Short title.—This part may be cited as the "Florida
71 Microfinance Act."

72 Section 3. Section 288.9931, Florida Statutes, is created
73 to read:

74 288.9931 Legislative findings and intent.—The Legislature
75 finds that the ability of entrepreneurs and small businesses to
76 access capital is vital to the overall health and growth of this
77 state's economy; however, access to capital is limited by the
78 lack of available credit for entrepreneurs and small businesses
79 in this state. The Legislature further finds that entrepreneurs
80 and small businesses could be assisted through the creation of a
81 program that will provide an avenue for entrepreneurs and small
82 businesses in this state to access credit. Additionally, the
83 Legislature finds that business management training, business
84 development training, and technical assistance are necessary to
85 ensure that entrepreneurs and small businesses that receive
86 credit develop the skills necessary to grow and achieve long-
87 term financial stability. The Legislature intends to expand job

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88 opportunities for this state's workforce by expanding access to
89 credit to entrepreneurs and small businesses. Furthermore, the
90 Legislature intends to avoid duplicating existing programs and
91 to coordinate, assist, augment, and improve access to those
92 programs for entrepreneurs and small businesses in this state.

93 Section 4. Section 288.9932, Florida Statutes, is created
94 to read:

95 288.9932 Definitions.—As used in this part, the term:

96 (1) "Applicant" means an entrepreneur or small business
97 that applies to a loan administrator for a microloan.

98 (2) "Domiciled in this state" means authorized to do
99 business in this state and located in this state.

100 (3) "Entrepreneur" means an individual residing in this
101 state who desires to assume the risk of organizing, managing,
102 and operating a small business in this state.

103 (4) "Network" means the Florida Small Business Development
104 Center Network.

105 (5) "Small business" means a business, regardless of
106 corporate structure, domiciled in this state which employs 25 or
107 fewer people and generated average annual gross revenues of \$1.5
108 million or less per year for the preceding 2 years. For the
109 purposes of this part, the identity of a small business is not
110 affected by name changes or changes in personnel.

111 Section 5. Section 288.9933, Florida Statutes, is created
112 to read:

113 288.9933 Rulemaking authority.—The department may adopt
114 rules to implement this part.

115 Section 6. Section 288.9934, Florida Statutes, is created
116 to read:

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117 288.9934 Microfinance Loan Program.—

118 (1) PURPOSE.—The Microfinance Loan Program is established
119 in the department to make short-term, fixed-rate microloans in
120 conjunction with business management training, business
121 development training, and technical assistance to entrepreneurs
122 and newly established or growing small businesses for start-up
123 costs, working capital, and the acquisition of materials,
124 supplies, furniture, fixtures, and equipment. Participation in
125 the loan program is intended to enable entrepreneurs and small
126 businesses to access private financing upon completing the loan
127 program.

128 (2) DEFINITION.—As used in this section, the term “loan
129 administrator” means an entity that enters into a contract with
130 the department pursuant to this section to administer the loan
131 program.

132 (3) REQUEST FOR PROPOSAL.—

133 (a) By December 1, 2014, the department shall contract with
134 at least one but not more than three entities to administer the
135 loan program for a term of 3 years. The department shall award
136 the contract in accordance with the request for proposal
137 requirements in s. 287.057 to an entity that:

138 1. Is a corporation registered in this state;

139 2. Does not offer checking accounts or savings accounts;

140 3. Demonstrates that its board of directors and managers
141 are experienced in microlending and small business finance and
142 development;

143 4. Demonstrates that it has the technical skills and
144 sufficient resources and expertise to:

145 a. Analyze and evaluate applications by entrepreneurs and

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146 small businesses applying for microloans;

147 b. Underwrite and service microloans provided pursuant to
148 this part; and

149 c. Coordinate the provision of such business management
150 training, business development training, and technical
151 assistance as required by this part.

152 5. Demonstrates that it has established viable, existing
153 partnerships with public and private nonstate funding sources,
154 economic development agencies, and workforce development and job
155 referral networks; and

156 6. Demonstrates that it has a plan that includes proposed
157 microlending activities under the loan program, including, but
158 not limited to, the types of entrepreneurs and businesses to be
159 assisted and the size and range of loans the loan administrator
160 intends to make.

161 (b) To ensure that prospective loan administrators meet the
162 requirements of subparagraphs (a)2.-6., the request for proposal
163 must require submission of the following information:

164 1. A description of the types of entrepreneurs and small
165 businesses the loan administrator has assisted in the past, and
166 the average size and terms of loans made in the past to such
167 entities;

168 2. A description of the experience of members of the board
169 of directors and managers in the areas of microlending and small
170 business finance and development;

171 3. A description of the loan administrator's underwriting
172 and credit policies and procedures, credit decisionmaking
173 process, monitoring policies and procedures, and collection
174 practices, and samples of any currently used loan documentation;

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175 4. A description of the nonstate funding sources that will
176 be used by the loan administrator in conjunction with the state
177 funds to make microloans pursuant to this section;

178 5. The loan administrator's three most recent financial
179 audits or, if no prior audits have been completed, the loan
180 administrator's three most recent unaudited financial
181 statements; and

182 6. A conflict of interest statement from the loan
183 administrator's board of directors certifying that a board
184 member, employee, or agent, or an immediate family member
185 thereof, or any other person connected to or affiliated with the
186 loan administrator, is not receiving or will not receive any
187 type of compensation or remuneration from an entrepreneur or
188 small business that has received or will receive funds from the
189 loan program. The department may waive this requirement for good
190 cause shown. As used in this subparagraph, the term "immediate
191 family" means a parent, child, or spouse, or any other relative
192 by blood, marriage, or adoption, of a board member, employee, or
193 agent of the loan administrator.

194 (4) CONTRACT AND AWARD OF FUNDS.-

195 (a) The selected loan administrator must enter into a
196 contract with the department for a term of 3 years to receive
197 state funds for the loan program. Funds appropriated to the
198 program must be reinvested and maintained as a long-term and
199 stable source of funding for the program. The amount of state
200 funds used in any microloan made pursuant to this part may not
201 exceed 50 percent of the total microloan amount. The department
202 shall establish financial performance measures and objectives
203 for the loan program and for the loan administrator in order to

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204 maximize the state funds awarded.

205 (b) State funds may be used only to provide direct
206 microloans to entrepreneurs and small businesses according to
207 the limitations, terms, and conditions provided in this part.
208 Except as provided in subsection (5), state funds may not be
209 used to pay administrative costs, underwriting costs, servicing
210 costs, or any other costs associated with providing microloans,
211 business management training, business development training, or
212 technical assistance.

213 (c) The loan administrator shall reserve 10 percent of the
214 total award amount from the department to provide microloans
215 pursuant to this part to entrepreneurs and small businesses that
216 employ no more than five people and generate annual gross
217 revenues averaging no more than \$250,000 per year for the last 2
218 years.

219 (d)1. If the loan program is appropriated funding in a
220 fiscal year, the department shall distribute such funds to the
221 loan administrator within 30 days of the execution of the
222 contract by the department and the loan administrator.

223 2. The total amount of funding allocated to the loan
224 administrator in a fiscal year may not exceed the amount
225 appropriated for the loan program in the same fiscal year. If
226 the funds appropriated to the loan program in a fiscal year
227 exceed the amount of state funds received by the loan
228 administrator, such excess funds shall revert to the General
229 Revenue Fund.

230 (e) Within 30 days of executing its contract with the
231 department, the loan administrator must enter into a memorandum
232 of understanding with the network:

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233 1. For the provision of business management training,
234 business development training, and technical assistance to
235 entrepreneurs and small businesses that receive microloans under
236 this part; and

237 2. To promote the program to underserved entrepreneurs and
238 small businesses.

239 (f) By September 1, 2014, the department shall review
240 industry best practices and determine the minimum business
241 management training, business development training, and
242 technical assistance that must be provided by the network to
243 achieve the goals of this part.

244 (g) The loan administrator must meet the requirements of
245 this section, the terms of its contract with the department, and
246 any other applicable state or federal laws to be eligible to
247 receive funds in any fiscal year. The contract with the loan
248 administrator must specify any sanctions for the loan
249 administrator's failure to comply with the contract or this
250 part.

251 (5) FEES.—

252 (a) Except as provided in this section, the department may
253 not charge fees or interest or require collateral from the loan
254 administrator. The department may charge an annual fee or
255 interest of up to 80 percent of the Federal Funds Rate as of the
256 date specified in the contract for state funds received under
257 the loan program. The department shall require as collateral an
258 assignment of the notes receivable of the microloans made by the
259 loan administrator under the loan program.

260 (b) The loan administrator is entitled to retain a one-time
261 administrative servicing fee of 1 percent of the total award

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262 amount to offset the administrative costs of underwriting and
263 servicing microloans made pursuant to this part. This fee may
264 not be charged to or paid by microloan borrowers participating
265 in the loan program. Except as provided in subsection (7) (c),
266 the loan administrator may not be required to return this fee to
267 the department.

268 (c) The loan administrator may not charge interest, fees,
269 or costs except as authorized in subsection (9).

270 (d) Except as provided in subsection (7), the loan
271 administrator is not required to return the interest, fees, or
272 costs authorized under subsection (9).

273 (6) REPAYMENT OF AWARD FUNDS.—

274 (a) After collecting interest and any fees or costs
275 permitted under this section in satisfaction of all microloans
276 made pursuant to this part, the loan administrator shall remit
277 to the department the microloan principal collected from all
278 microloans made with state funds received under this part.
279 Repayment of microloan principal to the department may be
280 deferred by the department for a period not to exceed 6 months;
281 however, the loan administrator may not provide a microloan
282 under this part after the contract with the department expires.

283 (b) If for any reason the loan administrator is unable to
284 make repayments to the department in accordance with the
285 contract, the department may accelerate maturity of the state
286 funds awarded and demand repayment in full. In this event, or if
287 a loan administrator violates this part or the terms of its
288 contract, the loan administrator shall surrender to the
289 department possession of all collateral required pursuant to
290 subsection (5). Any loss or deficiency greater than the value of

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291 the collateral may be recovered by the department from the loan
292 administrator.

293 (c) In the event of a default as specified in the contract,
294 termination of the contract, or violation of this section, the
295 state may, in addition to any other remedy provided by law,
296 bring suit to enforce its interest.

297 (d) A microloan borrower's default does not relieve the
298 loan administrator of its obligation to repay an award to the
299 department.

300 (7) CONTRACT TERMINATION.—

301 (a) The loan administrator's contract with the department
302 may be terminated by the department, and the loan administrator
303 required to immediately return all state funds awarded,
304 including any interest, fees, and costs it would otherwise be
305 entitled to retain pursuant to subsection (5) for that fiscal
306 year, upon a finding by the department that:

307 1. The loan administrator has, within the previous 5 years,
308 participated in a state-funded economic development program in
309 this or any other state and was found to have failed to comply
310 with the requirements of that program;

311 2. The loan administrator is currently in material
312 noncompliance with any statute, rule, or program administered by
313 the department;

314 3. The loan administrator or any member of its board of
315 directors, officers, partners, managers, or shareholders has
316 pled no contest or been found guilty, regardless of whether
317 adjudication was withheld, of any felony or any misdemeanor
318 involving fraud, misrepresentation, or dishonesty;

319 4. The loan administrator failed to meet or agree to the

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320 terms of the contract with the department or failed to meet this
321 part; or

322 5. The department finds that the loan administrator
323 provided fraudulent or misleading information to the department.

324 (b) The loan administrator's contract with the department
325 may be terminated by the department at any time for any reason
326 upon 30 days' notice by the department. In such a circumstance,
327 the loan administrator shall return all awarded state funds to
328 the department within 60 days of the termination. However, the
329 loan administrator may retain any interest, fees, or costs it
330 has collected pursuant to subsection (5).

331 (c) The loan administrator's contract with the department
332 may be terminated by the loan administrator at any time for any
333 reason upon 30 days' notice by the loan administrator. In such a
334 circumstance, the loan administrator shall return all awarded
335 state funds to the department, including any interest, fees, and
336 costs it has retained or would otherwise be entitled to retain
337 pursuant to subsection (5), within 30 days of the termination.

338 (8) AUDITS AND REPORTING.—

339 (a) The loan administrator shall annually submit to the
340 department a financial audit performed by an independent
341 certified public accountant and an operational performance audit
342 for the most recently completed fiscal year. Both audits must
343 indicate whether any material weakness or instances of material
344 noncompliance are indicated in the audit.

345 (b) The loan administrator shall submit quarterly reports
346 to the department as required by s. 288.9936(3).

347 (c) The loan administrator shall make its books and records
348 related to the loan program available to the department or its

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349 designee for inspection upon reasonable notice.

350 (9) ELIGIBILITY AND APPLICATION.-

351 (a) To be eligible for a microloan, an applicant must, at a
352 minimum, be an entrepreneur or small business located in this
353 state.

354 (b) Microloans may not be made if the direct or indirect
355 purpose or result of granting the microloan would be to:

356 1. Pay off any creditors of the applicant, including the
357 refund of a debt owed to a small business investment company
358 organized pursuant to 15 U.S.C. s. 681;

359 2. Provide funds, directly or indirectly, for payment,
360 distribution, or as a microloan to owners, partners, or
361 shareholders of the applicant's business, except as ordinary
362 compensation for services rendered;

363 3. Finance the acquisition, construction, improvement, or
364 operation of real property which is, or will be, held primarily
365 for sale or investment;

366 4. Pay for lobbying activities; or

367 5. Replenish funds used for any of the purposes specified
368 in subparagraphs 1.-4.

369 (c) A microloan applicant shall submit a written
370 application in the format prescribed by the loan administrator
371 and shall pay an application fee not to exceed \$50 to the loan
372 administrator.

373 (d) The following minimum terms apply to a microloan made
374 by the loan administrator:

375 1. The amount of a microloan may not exceed \$50,000;

376 2. A borrower may not receive more than \$75,000 per year in
377 total microloans;

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378 3. A borrower may not receive more than two microloans per
379 year and may not receive more than five microloans in any 3-year
380 period;

381 4. The proceeds of the microloan may be used only for
382 startup costs, working capital, and the acquisition of
383 materials, supplies, furniture, fixtures, and equipment;

384 5. The period of any microloan may not exceed 1 year;

385 6. The interest rate may not exceed the prime rate
386 published in the Wall Street Journal as of the date specified in
387 the microloan, plus 1000 basis points;

388 7. All microloans must be personally guaranteed;

389 8. The borrower must participate in business management
390 training, business development training, and technical
391 assistance as determined by the loan administrator in the
392 microloan agreement;

393 9. The borrower shall provide such information as required
394 by the loan administrator, including monthly job creation and
395 financial data, in the manner prescribed by the loan
396 administrator; and

397 10. The loan administrator may collect fees for late
398 payments which are consistent with standard business lending
399 practices and may recover costs and fees incurred for any
400 collection efforts necessitated by a borrower's default.

401 (e) The department may not review microloans made by the
402 loan administrator pursuant to this part before approval of the
403 loan by the loan administrator.

404 (10) STATEWIDE STRATEGIC PLAN.—In implementing this
405 section, the department shall be guided by the 5-year statewide
406 strategic plan adopted pursuant to s. 20.60(5). The department

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407 shall promote and advertise the loan program by, among other
408 things, cooperating with government, nonprofit, and private
409 industry to organize, host, or participate in seminars and other
410 forums for entrepreneurs and small businesses.

411 (11) STUDY.—By December 31, 2014, the department shall
412 commence or commission a study to identify methods and best
413 practices that will increase access to credit to entrepreneurs
414 and small businesses in this state. The study must also explore
415 the ability of, and limitations on, Florida nonprofit
416 organizations and private financial institutions to expand
417 access to credit to entrepreneurs and small businesses in this
418 state.

419 (12) CREDIT OF THE STATE.—With the exception of funds
420 appropriated to the loan program by the Legislature, the credit
421 of the state may not be pledged. The state is not liable or
422 obligated in any way for claims on the loan program or against
423 the loan administrator or the department.

424 Section 7. Section 288.9935, Florida Statutes, is created
425 to read:

426 288.9935 Microfinance Guarantee Program.—

427 (1) The Microfinance Guarantee Program is established in
428 the department. The purpose of the program is to stimulate
429 access to credit for entrepreneurs and small businesses in this
430 state by providing targeted guarantees to loans made to such
431 entrepreneurs and small businesses. Funds appropriated to the
432 program must be reinvested and maintained as a long-term and
433 stable source of funding for the program.

434 (2) As used in this section, the term "lender" means a
435 financial institution as defined in s. 655.005.

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436 (3) The department must enter into a contract with
437 Enterprise Florida, Inc., to administer the Microfinance
438 Guarantee Program. In administering the program, Enterprise
439 Florida, Inc., must, at a minimum:

440 (a) Establish lender and borrower eligibility requirements
441 in addition to those provided in this section;

442 (b) Determine a reasonable leverage ratio of loan amounts
443 guaranteed to state funds; however, the leverage ratio may not
444 exceed 3 to 1;

445 (c) Establish reasonable fees and interest;

446 (d) Promote the program to financial institutions that
447 provide loans to entrepreneurs and small businesses in order to
448 maximize the number of lenders throughout the state which
449 participate in the program;

450 (e) Enter into a memorandum of understanding with the
451 network to promote the program to underserved entrepreneurs and
452 small businesses;

453 (f) Establish limits on the total amount of loan guarantees
454 a single lender can receive;

455 (g) Establish an average loan guarantee amount for loans
456 guaranteed under this section;

457 (h) Establish a risk-sharing strategy to be employed in the
458 event of a loan failure; and

459 (i) Establish financial performance measures and objectives
460 for the program in order to maximize the state funds.

461 (4) Enterprise Florida, Inc., is limited to providing loan
462 guarantees for loans with total loan amounts of at least \$50,000
463 and not more than \$250,000. A loan guarantee may not exceed 50
464 percent of the total loan amount.

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465 (5) Enterprise Florida, Inc., may not guarantee a loan if
466 the direct or indirect purpose or result of the loan would be
467 to:

468 (a) Pay off any creditors of the applicant, including the
469 refund of a debt owed to a small business investment company
470 organized pursuant to 15 U.S.C. s. 681;

471 (b) Provide funds, directly or indirectly, for payment,
472 distribution, or as a loan to owners, partners, or shareholders
473 of the applicant's business, except as ordinary compensation for
474 services rendered;

475 (c) Finance the acquisition, construction, improvement, or
476 operation of real property which is, or will be, held primarily
477 for sale or investment;

478 (d) Pay for lobbying activities; or

479 (e) Replenish funds used for any of the purposes specified
480 in paragraphs (a) through (d).

481 (6) Enterprise Florida, Inc., may not use funds
482 appropriated from the state for costs associated with
483 administering the guarantee program.

484 (7) To be eligible to receive a loan guarantee under the
485 Microfinance Guarantee Program, a borrower must, at a minimum:

486 (a) Be an entrepreneur or small business located in this
487 state;

488 (b) Employ 25 or fewer people;

489 (c) Generate average annual gross revenues of \$1.5 million
490 or less per year for the last 2 years; and

491 (d) Meet any additional requirements established by
492 Enterprise Florida, Inc.

493 (8) By October 1 of each year, Enterprise Florida, Inc.,

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- 494 shall submit a complete and detailed annual report to the
495 department for inclusion in the department's report required
496 under s. 20.60(10). The report must, at a minimum, provide:
- 497 (a) A comprehensive description of the program, including
498 an evaluation of its application and guarantee activities,
499 recommendations for change, and identification of any other
500 state programs that overlap with the program;
- 501 (b) An assessment of the current availability of and access
502 to credit for entrepreneurs and small businesses in this state;
- 503 (c) A summary of the financial and employment results of
504 the entrepreneurs and small businesses receiving loan
505 guarantees, including the number of full-time equivalent jobs
506 created as a result of the guaranteed loans and the amount of
507 wages paid to employees in the newly created jobs;
- 508 (d) Industry data about the borrowers, including the six-
509 digit North American Industry Classification System (NAICS)
510 code;
- 511 (e) The name and location of lenders that receive loan
512 guarantees;
- 513 (f) The amount of state funds received by Enterprise
514 Florida, Inc.;
- 515 (g) The number of loan guarantee applications received;
- 516 (h) The number, duration, location, and amount of
517 guarantees made;
- 518 (i) The number and amount of guaranteed loans outstanding,
519 if any;
- 520 (j) The number and amount of guaranteed loans with payments
521 overdue, if any;
- 522 (k) The number and amount of guaranteed loans in default,

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523 if any;

524 (l) The repayment history of the guaranteed loans made; and

525 (m) An evaluation of the program's ability to meet the
526 financial performance measures and objectives specified in
527 subsection (3).

528 (9) The credit of the state or Enterprise Florida, Inc.,
529 may not be pledged except for funds appropriated by law to the
530 Microfinance Guarantee Program. The state is not liable or
531 obligated in any way for claims on the program or against
532 Enterprise Florida, Inc., or the department.

533 Section 8. Section 288.9936, Florida Statutes, is created
534 to read:

535 288.9936 Annual report of the Microfinance Loan Program.—

536 (1) The department shall include in the report required by
537 s. 20.60(10) a complete and detailed annual report on the
538 Microfinance Loan Program. The report must include:

539 (a) A comprehensive description of the program, including
540 an evaluation of its application and funding activities,
541 recommendations for change, and identification of any other
542 state programs that overlap with the program;

543 (b) The financial institutions and the public and private
544 organizations and individuals participating in the program;

545 (c) An assessment of the current availability of and access
546 to credit for entrepreneurs and small businesses in this state;

547 (d) A summary of the financial and employment results of
548 the entities receiving microloans;

549 (e) The number of full-time equivalent jobs created as a
550 result of the microloans and the amount of wages paid to
551 employees in the newly created jobs;

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- 552 (f) The number and location of prospective loan
553 administrators that responded to the department request for
554 proposals;
- 555 (g) The amount of state funds received by the loan
556 administrator;
- 557 (h) The number of microloan applications received by the
558 loan administrator;
- 559 (i) The number, duration, and location of microloans made
560 by the loan administrator;
- 561 (j) The number and amount of microloans outstanding, if
562 any;
- 563 (k) The number and amount of microloans with payments
564 overdue, if any;
- 565 (l) The number and amount of microloans in default, if any;
566 (m) The repayment history of the microloans made;
- 567 (n) The repayment history and performance of funding
568 awards;
- 569 (o) An evaluation of the program's ability to meet the
570 financial performance measures and objectives specified in s.
571 288.9934; and
- 572 (p) A description and evaluation of the technical
573 assistance and business management and development training
574 provided by the network pursuant to its memorandum of
575 understanding with the loan administrator.
- 576 (2) The department shall submit the report provided to the
577 department from Enterprise Florida, Inc., pursuant to
578 288.9935(7) for inclusion in the department's annual report
579 required under s. 20.60(10).
- 580 (3) The department shall require at least quarterly reports

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581 from the loan administrator. The loan administrator's report
582 must include, at a minimum, the number of microloan applications
583 received, the number of microloans made, the amount and interest
584 rate of each microloan made, the amount of technical assistance
585 or business development and management training provided, the
586 number of full-time equivalent jobs created as a result of the
587 microloans, the amount of wages paid to employees in the newly
588 created jobs, the six-digit North American Industry
589 Classification System (NAICS) code associated with the
590 borrower's business, and the borrower's locations.

591 (4) The Office of Program Policy Analysis and Government
592 Accountability shall conduct a study to evaluate the
593 effectiveness and return on investment of the State Small
594 Business Credit Initiative operated in this state pursuant to 12
595 U.S.C. ss. 5701 et seq. The office shall submit a report to the
596 President of the Senate and the Speaker of the House of
597 Representatives by January 1, 2015.

598 Section 9. Section 288.9937, Florida Statutes, is created
599 to read:

600 288.9937 Evaluation of programs.—The Office of Program
601 Policy Analysis and Government Accountability shall analyze,
602 evaluate, and determine the economic benefits, as defined in s.
603 288.005, of the first 3 years of the Microfinance Loan Program
604 and the Microfinance Guarantee Program. The analysis must also
605 evaluate the number of jobs created, the increase or decrease in
606 personal income, and the impact on state gross domestic product
607 from the direct, indirect, and induced effects of the state's
608 investment. The analysis must also identify any inefficiencies
609 in the programs and provide recommendations for changes to the

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610 programs. The office shall submit a report to the President of
611 the Senate and the Speaker of the House of Representatives by
612 January 1, 2018. This section expires January 31, 2018.

613 Section 10. (1) The executive director of the Department of
614 Economic Opportunity is authorized, and all conditions are
615 deemed to be met, to adopt emergency rules pursuant to ss.
616 120.536(1) and 120.54(4), Florida Statutes, for the purpose of
617 implementing this act.

618 (2) Notwithstanding any other provision of law, the
619 emergency rules adopted pursuant to subsection (1) remain in
620 effect for 6 months after adoption and may be renewed during the
621 pendency of procedures to adopt permanent rules addressing the
622 subject of the emergency rules.

623 (3) This section shall expire October 1, 2015.

624 Section 11. For the 2014-2015 fiscal year, the sum of \$10
625 million in nonrecurring funds from the General Revenue Fund is
626 appropriated to the Department of Economic Opportunity to
627 implement this act. From these nonrecurring funds, the
628 Department of Economic Opportunity and Enterprise Florida, Inc.,
629 may spend up to \$100,000 to market and promote the programs
630 created in this act. For the 2014-2015 fiscal year, one full-
631 time equivalent position is authorized with 55,000 of salary
632 rate, and \$64,759 of recurring funds and \$3,018 of nonrecurring
633 funds from the State Economic Enhancement and Development Trust
634 Fund, \$12,931 of recurring funds and \$604 of nonrecurring funds
635 from the Tourism Promotional Trust Fund, and \$3,233 of recurring
636 funds and \$151 of nonrecurring funds from the Florida
637 International Trade and Promotion Trust Fund are appropriated to
638 the Department of Economic Opportunity to implement this act.

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639

Section 12. This act shall take effect July 1, 2014.

THE FLORIDA SENATE

Waiver

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-2-14

Meeting Date

Topic CRASH REPORTS

Bill Number 876 (if applicable)

Name RICHARD GENTRY

Amendment Barcode (if applicable)

Job Title

Address 2305 BRAEBURN CIR Street

Phone 251-1837

TLH FL 32309 City State Zip

E-mail

Speaking: [X] For [] Against [] Information

Representing ECONOMIC COUNCIL OF PALM BCH CO

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

Worick

4-2-14

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic Crash Reports

Bill Number 876
(if applicable)

Name G.C. Murray

Amendment Barcode _____
(if applicable)

Job Title Dep. Gen. Counsel

Address 218 S Monroe St.

Phone 850 521 1034

Street

Tallahassee FL 32301

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing Florida Justice Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/2/2014

Meeting Date

Topic Crash Reports

Bill Number 876
(if applicable)

Name SAM MORLEY

Amendment Barcode _____
(if applicable)

Job Title General Counsel

Address 326 College Ave

Phone 212 4395

Street

Tall. FL 32312

City

State

Zip

E-mail smorley@flpress.com

Speaking: For Against Information

Representing FLORIDA PRESS ASSOCIATION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/2/14
Meeting Date

Topic Motor Vehicle Crash Reports Bill Number SB0876
(if applicable)

Name Don Heaton Amendment Barcode _____
(if applicable)

Job Title Sergeant Volusia County Sheriff's office

Address 250 N. Beach St. Phone 804-6825
Street

Daytona Beach FL 32119 E-mail dheaton@ocso.us
City State Zip

Speaking: For Against Information

Representing FSA/Volusia County Sheriff Ben Johnson

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.