

By Senator Klein

28-1310-00

See HB

1 A bill to be entitled
2 An act relating to grants and aids
3 appropriations; creating s. 216.3473, F.S.;
4 providing preconditions to the receipt of
5 grants and aids appropriations in excess of a
6 certain amount that are to be used, in whole or
7 in part, by nonpublic entities to acquire,
8 construct, alter, or maintain real property;
9 requiring a restrictive covenant and providing
10 its requirements; requiring a blanket fidelity
11 bond; requiring adoption of an accounting
12 system and providing for audit; requiring
13 liability insurance and exempting the
14 administering agency from liability; providing
15 restrictions on assignment or transfer of
16 interests in the subject property; requiring
17 investment of funds and return of earned
18 interest under certain circumstances; providing
19 a definition; providing an effective date.

21 Be It Enacted by the Legislature of the State of Florida:

23 Section 1. Section 216.3473, Florida Statutes, is
24 created to read:

25 216.3473 Grants and aids appropriations to acquire,
26 construct, alter, or maintain real property; restrictive
27 covenant, liability, and other conditions.--

28 (1) For any grants and aids appropriation in excess of
29 \$50,000 to a nonpublic entity which is to be used, in whole or
30 in part, to acquire, construct, renovate, alter, modify, or
31 maintain any real property, as a condition precedent to the

1 receipt of any of the funds appropriated, the grantee
2 appropriated the funds must comply fully with the following
3 provisions:

4 (a) The grantee must have fully executed and duly
5 recorded in the county in which the subject property is
6 located a restrictive covenant, in a form approved by the
7 administering agency, agreeing to the continued operation,
8 maintenance, repair, and administration of the property in
9 accordance with the purposes for which the funds were
10 originally granted.

11 1. Such restrictive covenant shall be for a period of:

12 a. One year from the recording date for grants
13 exceeding \$50,000, but not exceeding \$100,000.

14 b. Ten years from the recording date for grants
15 exceeding \$100,000, but not exceeding \$1 million.

16 c. Twenty years from the recording date for grants
17 exceeding \$1 million.

18 2. Such restrictive covenant must specify that if the
19 subject property ceases to be used for the purposes for which
20 the grant funds were originally provided, the grantee shall
21 return to the administering agency the grant funds, less
22 \$100,000 or 10 percent of the amount of the grant, whichever
23 is more, for each full year for which the property was used
24 for such purposes. The administering agency shall deposit all
25 such returned funds into the state fund from which the grants
26 and aids appropriation originally was made.

27 (b) The grantee must obtain a blanket fidelity bond,
28 in the amount of the grant, issued by a company authorized and
29 licensed to do business in this state, which will reimburse
30 the grantee in the event that anyone handling the grant funds
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1 either misappropriates or absconds with the funds. All
2 employees handling the funds must be covered by the bond.

3 (c) The grantee must adopt an accounting system,
4 acceptable to the administering agency and in compliance with
5 generally accepted accounting principles, which shall provide
6 for a complete record of the use of all grant funds covered by
7 this section. In addition, the provisions of s. 216.3491 shall
8 apply.

9 (d) The grantee shall indemnify, defend, and hold the
10 administering agency harmless from and against any and all
11 claims or demands for damages resulting from personal injury,
12 including death or damage to property, arising out of or
13 relating to the subject property or the use of the grant funds
14 and, in accordance with such requirement, shall purchase and
15 maintain insurance on behalf of directors, officers, and
16 employees of the grantee against any personal liability or
17 accountability by reason of actions taken while acting within
18 the scope of their authority. The administering agency shall
19 not be liable for any act, omission, or negligence of the
20 grantee with respect to the acquisition, construction,
21 renovation, alteration, modification, or maintenance of the
22 subject property.

23 (2) The grantee may not assign or otherwise transfer
24 any of its interests in the subject property unless:

25 (a) The restrictive covenant required in paragraph
26 (1)(a) is fully assumed in writing by all parties to whom any
27 of the grantee's interests are assigned or transferred; and

28 (b) The administering agency approves the assignment
29 or transfer in writing.

30 (3) To the extent that the grantee is holding grant
31 funds that will not be expended within 30 days after their

1 receipt, the grantee must invest such surplus funds in an
2 interest-bearing account at a federally insured bank or
3 savings and loan association. All interest earned on any such
4 account must be returned to the administering agency within 30
5 days after the posting of such interest, for deposit into the
6 state fund from which the appropriation was made.

7 (4) For purposes of this section, "nonpublic entity"
8 means any nongovernmental entity doing business in this state,
9 including any corporation, partnership, limited partnership,
10 proprietorship, firm, cooperative, enterprise, franchise,
11 association, self-employed individual, or trust, whether
12 fictitiously named or not.

13 Section 2. This act shall take effect July 1, 2000.

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15 HOUSE SUMMARY

16 Provides preconditions to the receipt of grants and aids
17 appropriations in excess of a certain amount that are to
18 be used, in whole or in part, by nonpublic entities to
19 acquire, construct, alter, or maintain real property.
20 Requires a restrictive covenant and provides its
21 requirements. Requires a blanket fidelity bond. Requires
22 adoption of an accounting system and provides for audit.
23 Requires liability insurance and exempts the
24 administering agency from liability. Provides
25 restrictions on assignment or transfer of interests in
26 the subject property. Requires investment of funds and
27 return of earned interest under certain circumstances.
28 See bill for details.
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