

By Senator Siplin

19-198-06

1                                   A bill to be entitled  
2           An act relating to community reinvestment  
3           plans; providing definitions; authorizing a  
4           business to develop and implement a community  
5           reinvestment plan for tax-credit purposes;  
6           providing certain requirements for a community  
7           reinvestment plan; providing a tax credit for a  
8           business that meets the requirements of its  
9           community reinvestment plan; providing for the  
10          carryover of credit; providing for the duties  
11          of the Financial Services Commission; requiring  
12          the commission to adopt rules, in consultation  
13          with the Department of Community Affairs and  
14          the Florida Housing Finance Corporation,  
15          regarding community reinvestment plans;  
16          authorizing a business to list its community  
17          reinvestment plan on its website; requiring the  
18          Financial Service Commission, the Department of  
19          Community Affairs, the Office of Tourism,  
20          Trade, and Economic Development, and the  
21          Florida Housing Finance Corporation to prepare  
22          a strategic plan relating to access to  
23          financial capital in certain areas of the  
24          state; providing requirements for the strategic  
25          plan; requiring the commission to create and  
26          maintain a website that includes certain public  
27          information concerning financial matters;  
28          providing an effective date.

29  
30 Be It Enacted by the Legislature of the State of Florida:  
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1           Section 1. Community reinvestment plans.--

2           (1) DEFINITIONS.--As used in this section, the term:

3           (a) "Business" or "business firm" means any business  
4 entity authorized to do business in this state as defined in  
5 paragraph (d), and any bank or savings and loan association as  
6 defined in s. 220.62, Florida Statutes, subject to the tax  
7 imposed by chapter 220.

8           (b) "Community reinvestment plan" means an annual  
9 strategic plan developed and implemented by a business under  
10 this section.

11           (c) "Commission" means the Financial Services  
12 Commission.

13           (d) "Corporation" includes all domestic corporations;  
14 foreign corporations qualified to do business in this state or  
15 actually doing business in this state; joint-stock companies;  
16 limited liability companies under chapter 608, Florida  
17 Statutes; common-law declarations of trust under chapter 609,  
18 Florida Statutes; corporations not for profit under chapter  
19 617, Florida Statutes; agricultural cooperative marketing  
20 associations under chapter 618, Florida Statutes; professional  
21 service corporations under chapter 621, Florida Statutes;  
22 foreign unincorporated associations under chapter 622, Florida  
23 Statutes; private school corporations under chapter 623,  
24 Florida Statutes; foreign corporations not for profit which  
25 are carrying on their activities in this state; and all other  
26 organizations, associations, legal entities, and artificial  
27 persons that are created by or pursuant to the laws of this  
28 state, the United States, or any other state, territory,  
29 possession, or jurisdiction. The term does not include  
30 proprietorships, even if using a fictitious name; partnerships  
31 of any type, as such; limited liability companies that are

1 taxable as partnerships for federal income tax purposes; state  
2 or public fairs or expositions under chapter 616, Florida  
3 Statutes; estates of decedents or incompetents; testamentary  
4 trusts; or private trusts.

5 (e) "Targeted population" means individuals or an  
6 identifiable group of individuals who are low-income persons  
7 or otherwise lack adequate access to loans or equity  
8 investments.

9 (f) "Underserved area" means an investment area as  
10 defined by the Community Development Banking and Financial  
11 Institutions Act of 1994, 12 U.S.C. s. 4702, as amended.

12 (2) APPLICABILITY.--This section applies only to a  
13 business that is subject to a corporate income tax.

14 (3) COMMUNITY REINVESTMENT PLAN.--A business, in  
15 accordance with rules adopted by the commission under  
16 subsection (5), may develop and implement an annual community  
17 reinvestment plan in order to be eligible to receive a tax  
18 credit as provided in subsection (4). A business's plan must  
19 include the business's specific targets for the expenditure of  
20 funds for community reinvestment purposes, including:

21 (a) Lending money to members of a targeted population  
22 or underserved areas in the state; and

23 (b) Investing in or with nonprofit lending  
24 institutions for lending activities in underserved areas or  
25 with members of a targeted population in the state.

26 (4)(a) TAX CREDIT.--There shall be allowed a credit  
27 against the tax imposed by chapter 220, Florida Statutes, to  
28 any business that meets each target set forth in its community  
29 reinvestment plan as certified by rule of the commission.

30 (b) If the credit granted pursuant to this section is  
31 not fully used in any one year, the unused amount may be

1 carried forward for a period not to exceed 5 years. The  
2 carryover credit may be used in a subsequent year when the tax  
3 imposed by chapter 220, Florida Statutes, for such year  
4 exceeds the credit for such year under this section after  
5 applying the other credits and unused credit carryovers in the  
6 order provided in s. 220.02(8), Florida Statutes. The amount  
7 of credit taken under this section in any one year, however,  
8 may not exceed \$25,000, or, if no fewer than 20 percent of the  
9 employees of the business are residents of an enterprise zone,  
10 excluding temporary employees, the amount may not exceed  
11 \$50,000.

12 (5) DUTIES OF THE FINANCIAL SERVICES COMMISSION;  
13 RULEMAKING AUTHORITY.--

14 (a) The commission, in consultation with the  
15 Department of Community Affairs and the Office of Tourism,  
16 Trade, and Economic Development, shall assist businesses in  
17 identifying and setting community reinvestment targets for the  
18 submission of community reinvestment plans.

19 (b) The commission shall adopt rules to administer  
20 this section, including rules that:

21 1. Provide businesses with specific guidelines and  
22 procedures for the adoption and submission to the commission  
23 of community reinvestment plans, including a reasonable  
24 timeframe for implementation of the plan; and

25 2. Create a certification process that meets each  
26 target set under the businesses' respective plans.

27 (c) The commission may consult with and request  
28 information relevant to this section from the Department of  
29 Community Affairs and the Florida Housing Finance Corporation.  
30 In developing rules under this section, the commission shall  
31 consider any information obtained under this subsection.

1           (6)(a) INTERNET POSTING.--A business may post its  
2 community reinvestment plan on any Internet website maintained  
3 by the business. The plan must be posted in a format that is  
4 readily accessible to and understandable by the public. The  
5 business shall notify the commission if it posts a plan.

6           (b) The commission shall maintain on its Internet  
7 website a link to each business's community reinvestment plan  
8 that is posted on the Internet.

9           Section 2. Access to financial capital.--

10           (1) DUTY OF CERTAIN AGENCIES TO PREPARE STRATEGIC PLAN  
11 CONCERNING ACCESS TO FINANCIAL CAPITAL.--The Financial  
12 Services Commission that oversees the Office of Financial  
13 Regulation within the Department of Financial Services, the  
14 Department of Community Affairs, the Office of Tourism, Trade,  
15 and Economic Development, and the Florida Housing Finance  
16 Corporation shall prepare a biennial strategic plan relating  
17 to access to financial capital in unserved and underserved  
18 areas of the state.

19           (2) SUBMISSION OF PLAN AND RECOMMENDATIONS.--By  
20 November 1 of each even-numbered year, the commission shall:

21           (a) Submit the strategic plan required by this section  
22 to the Governor, the President of the Senate, and the Speaker  
23 of the House of Representatives; and

24           (b) Make recommendations on actions that the  
25 Legislature may take to improve access to capital in unserved  
26 and underserved areas of the state.

27           (3) CONTENTS OF PLAN.--The strategic plan must:

28           (a) Define and identify unserved and underserved areas  
29 in the state with regard to housing ownership, small business  
30 loans, availability of venture capital, lending options, and  
31 other relevant financial capital issues;

1           (b) Quantify community investment and lending  
2 resources available by location in the state;

3           (c) Develop specific targets and plans for increasing  
4 investment in unserved and underserved areas; and

5           (d) Enlist private financial institutions to use the  
6 strategic plan to set institutional targets.

7           (4) FINANCIAL CAPITAL INFORMATION AVAILABLE ON  
8 INTERNET.--The commission shall create and maintain an  
9 Internet website through the state's on-line government portal  
10 or any successor to that portal which includes:

11           (a) A list of traditional and nontraditional sources  
12 for loans that can be searched by a borrower based on the  
13 borrower's financial characteristics;

14           (b) Advice to small businesses on how to develop a  
15 business plan;

16           (c) Advice on how to enhance credit scores;

17           (d) Advice on how to establish a relationship with a  
18 financial institution;

19           (e) Information regarding interest rates available in  
20 the state;

21           (f) Information pertaining to the cost of loans  
22 available to borrowers of varied risk levels in the state;

23           (g) Information concerning how to compare mortgage  
24 loans available in the state;

25           (h) Information regarding lending practices of  
26 specific businesses in the state; and

27           (i) Links to relevant consumer financial websites.

28           Section 3. This act shall take effect upon becoming a  
29 law.

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SENATE SUMMARY

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3 Authorizes a business to develop and implement a  
4 community reinvestment plan for tax-credit purposes.  
5 Provides certain requirements for a community  
6 reinvestment plan. Provides a tax credit for a business  
7 that meets the requirements of its community reinvestment  
8 plan. Provides for the carryover of credit. Provides for  
9 the duties of the Financial Services Commission. Requires  
10 the commission to adopt rules, in consultation with the  
11 Department of Community Affairs and the Florida Housing  
12 Finance Corporation, regarding community reinvestment  
13 plans. Authorizes a business to provide its community  
14 reinvestment plan on its website. Requires the Financial  
15 Service Commission, the Department of Community Affairs,  
16 the Office of Tourism, Trade, and Economic Development,  
17 and the Florida Housing Finance Corporation to prepare a  
18 strategic plan relating to access to financial capital in  
19 certain underserved areas of the state. Provides  
20 requirements for the strategic plan. Requires the  
21 commission to create and maintain an Internet site to  
22 include certain information on financial matters.  
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