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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/24/2014	.	
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The Committee on Commerce and Tourism (Richter) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

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

288.993 Short title.—This part may be cited as the "Florida



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11 Microfinance Act.”

12 Section 3. Section 288.9931, Florida Statutes, is created
13 to read:

14 288.9931 Legislative findings and intent.—The Legislature
15 finds that the ability of entrepreneurs and small businesses to
16 access capital is vital to the overall health and growth of this
17 state’s economy; however, access to capital is limited by the
18 lack of available credit for entrepreneurs and small businesses
19 in this state. The Legislature further finds that entrepreneurs
20 and small businesses could be assisted through the creation of a
21 program that will provide an avenue for entrepreneurs and small
22 businesses in this state to access credit. Additionally, the
23 Legislature finds that business management training, business
24 development training, and technical assistance are necessary to
25 ensure that entrepreneurs and small businesses that receive
26 credit develop the skills necessary to grow and achieve long-
27 term financial stability. The Legislature intends to expand job
28 opportunities for this state’s workforce by expanding access to
29 credit to entrepreneurs and small businesses. Furthermore, the
30 Legislature intends to avoid duplicating existing programs and
31 to coordinate, assist, augment, and improve access to those
32 programs for entrepreneurs and small businesses in this state.

33 Section 4. Section 288.9932, Florida Statutes, is created
34 to read:

35 288.9932 Definitions.—As used in this part, the term:

36 (1) “Applicant” means an entrepreneur or small business
37 that applies to a lender for a microloan.

38 (2) “Domiciled in this state” means authorized to do
39 business in this state and located in this state.



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

43 (4) "Network" means the Florida Small Business Development
44 Center Network.

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

51 Section 5. Section 288.9933, Florida Statutes, is created
52 to read:

53 288.9933 Rulemaking authority.—The department may adopt
54 rules to implement this part.

55 Section 6. Section 288.9934, Florida Statutes, is created
56 to read:

57 288.9934 Microfinance Loan Program.—

58 (1) PURPOSE.—The Microfinance Loan Program is established
59 in the department to make short-term, fixed-rate microloans in
60 conjunction with business management training, business
61 development training, and technical assistance to entrepreneurs
62 and newly established or growing small businesses for start-up
63 costs, working capital, and the acquisition of materials,
64 supplies, furniture, fixtures, and equipment. Participation in
65 the loan program is intended to enable entrepreneurs and small
66 businesses to access private financing upon completing the loan
67 program.

68 (2) DEFINITION.—As used in this section, the term "loan



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69 administrator” means an entity that enters into a contract with
70 the department pursuant to this section to administer the loan
71 program.

72 (3) REQUEST FOR PROPOSAL.—

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

78 1. Is a corporation registered in this state;

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

80 3. Demonstrates that its board of directors and managers
81 are experienced in microlending and small business finance and
82 development;

83 4. Demonstrates that it has the technical skills and
84 sufficient resources and expertise to:

85 a. Analyze and evaluate applications by entrepreneurs and
86 small businesses applying for microloans;

87 b. Underwrite and service microloans provided pursuant to
88 this part; and

89 c. Coordinate the provision of such business management
90 training, business development training, and technical
91 assistance as required by this part.

92 5. Demonstrates that it has established viable, existing
93 partnerships with public and private, nonstate funding sources,
94 economic development agencies, and workforce development and job
95 referral networks; and

96 6. Demonstrates that it has a plan that includes proposed
97 microlending activities under the loan program, including, but



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98 not limited to, the types of entrepreneurs and businesses to be
99 assisted and the size and range of loans the loan administrator
100 intends to make.

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

104 1. A description of the types of entrepreneurs and small
105 businesses the loan administrator has assisted in the past, and
106 the average size and terms of loans made in the past to such
107 entities;

108 2. A description of the experience of members of the board
109 of directors and managers in the areas of microlending and small
110 business finance and development;

111 3. A description of the loan administrator's underwriting
112 and credit policies and procedures, credit decisionmaking
113 process, monitoring policies and procedures, and collection
114 practices, and samples of any currently used loan documentation;

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

118 5. The loan administrator's three most recent financial
119 audits or, if no prior audits have been completed, the loan
120 administrator's three most recent unaudited financial
121 statements; and

122 6. A conflict of interest statement from the loan
123 administrator's board of directors certifying that a board
124 member, employee, or agent, or an immediate family member
125 thereof, or any other person connected to or affiliated with the
126 loan administrator, is not receiving or will not receive any



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127 type of compensation or remuneration from an entrepreneur or
128 small business that has received or will receive funds from the
129 loan program. The department may waive this requirement for good
130 cause shown. As used in this subparagraph, the term "immediate
131 family" means a parent, child, or spouse, or any other relative
132 by blood, marriage, or adoption, of a board member, employee, or
133 agent of the loan administrator.

134 (4) CONTRACT AND AWARD OF FUNDS.—

135 (a) The selected loan administrator must enter into a
136 contract with the department for a term of 3 years to receive
137 state funds for the loan program. Funds appropriated to the
138 program must be reinvested and maintained as a long-term and
139 stable source of funding for the program. The amount of state
140 funds used in any microloan made pursuant to this part may not
141 exceed 50 percent of the total microloan amount. The department
142 shall establish financial performance measures and objectives
143 for the loan program and for the loan administrator in order to
144 maximize the state funds awarded.

145 (b) State funds may be used only to provide direct
146 microloans to entrepreneurs and small businesses according to
147 the limitations, terms, and conditions provided in this part.
148 Except as provided in subsection (5), state funds may not be
149 used to pay administrative costs, underwriting costs, servicing
150 costs, or any other costs associated with providing microloans,
151 business management training, business development training, or
152 technical assistance.

153 (c) The loan administrator shall reserve 10 percent of the
154 total award amount from the department to provide microloans
155 pursuant to this part to entrepreneurs and small businesses that



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156 employ no more than five people and generate annual gross
157 revenues averaging no more than \$250,000 per year for the last 2
158 years.

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

163 2. The total amount of funding allocated to the loan
164 administrator in a fiscal year may not exceed the amount
165 appropriated for the loan program in the same fiscal year. If
166 the funds appropriated to the loan program in a fiscal year
167 exceed the amount of state funds received by the loan
168 administrator, such excess funds shall revert to the General
169 Revenue Fund.

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

173 1. For the provision of business management training,
174 business development training, and technical assistance to
175 entrepreneurs and small businesses that receive microloans under
176 this part; and

177 2. To promote the program to underserved entrepreneurs and
178 small businesses.

179 (f) By September 1, 2014, the department shall review
180 industry best practices and determine the minimum business
181 management training, business development training, and
182 technical assistance that must be provided by the network to
183 achieve the goals of this part.

184 (g) The loan administrator must meet the requirements of



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185 this section, the terms of its contract with the department, and
186 any other applicable state or federal laws to be eligible to
187 receive funds in any fiscal year. The contract with the loan
188 administrator must specify any sanctions for the loan
189 administrator's failure to comply with the contract or this
190 part.

191 (5) FEES.—

192 (a) Except as provided in this section, the department may
193 not charge fees or interest or require collateral from the loan
194 administrator. The department may charge an annual fee or
195 interest of up to 80 percent of the Federal Funds Rate as of the
196 date specified in the contract for state funds received under
197 the loan program. The department shall require as collateral an
198 assignment of the notes receivable of the microloans made by the
199 loan administrator under the loan program.

200 (b) The loan administrator is entitled to retain a one-time
201 administrative servicing fee of 1 percent of the total award
202 amount to offset the administrative costs of underwriting and
203 servicing microloans made pursuant to this part. This fee may
204 not be charged to or paid by microloan borrowers participating
205 in the loan program. Except as provided in subsection (7) (c),
206 the loan administrator may not be required to return this fee to
207 the department.

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

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

213 (6) REPAYMENT OF AWARD FUNDS.—



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214 (a) After collecting interest and any fees or costs
215 permitted under this section in satisfaction of all microloans
216 made pursuant to this part, the loan administrator shall remit
217 to the department the microloan principal collected from all
218 microloans made with state funds received under this part.
219 Repayment of microloan principal to the department may be
220 deferred by the department for a period not to exceed 6 months;
221 however, the loan administrator may not provide a microloan
222 under this part after the contract with the department expires.

223 (b) If for any reason the loan administrator is unable to
224 make repayments to the department in accordance with the
225 contract, the department may accelerate maturity of the state
226 funds awarded and demand repayment in full. In this event, or if
227 a loan administrator violates this part or the terms of its
228 contract, the loan administrator shall surrender to the
229 department possession of all collateral required pursuant to
230 subsection (5). Any loss or deficiency greater than the value of
231 the collateral may be recovered by the department from the loan
232 administrator.

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

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

240 (7) CONTRACT TERMINATION.—

241 (a) The loan administrator's contract with the department
242 may be terminated by the department, and the loan administrator



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243 required to immediately return all state funds awarded,
244 including any fees it would otherwise be entitled to retain
245 pursuant to subsection (5) for that fiscal year, upon a finding
246 by the department that:

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

251 2. The loan administrator is currently in material
252 noncompliance with any statute, rule, or program administered by
253 the department;

254 3. The loan administrator or any member of its board of
255 directors, officers, partners, managers, or shareholders has
256 pled no contest or been found guilty, regardless of whether
257 adjudication was withheld, of any felony or any misdemeanor
258 involving fraud, misrepresentation, or dishonesty;

259 4. The loan administrator failed to meet or agree to the
260 terms of the contract with the department or failed to meet this
261 part; or

262 5. The department finds that the loan administrator
263 provided fraudulent or misleading information to the department.

264 (b) The loan administrator's contract with the department
265 may be terminated by the department at any time for any reason
266 upon 30 days' notice by the department. In such a circumstance,
267 the loan administrator shall return all awarded state funds to
268 the department within 60 days of the termination. However, the
269 loan administrator may retain any fees it has collected pursuant
270 to subsection (5).

271 (c) The loan administrator's contract with the department



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272 may be terminated by the loan administrator at any time for any
273 reason upon 30 days' notice by the loan administrator. In such a
274 circumstance, the loan administrator shall return all awarded
275 state funds to the department, including any fees it has
276 retained or would otherwise be entitled to retain pursuant to
277 subsection (5), within 30 days of the termination.

278 (8) AUDITS AND REPORTING.—

279 (a) The loan administrator shall annually submit to the
280 department a financial audit performed by an independent
281 certified public accountant and an operational performance audit
282 for the most recently completed fiscal year. Both audits must
283 indicate whether any material weakness or instances of material
284 noncompliance are indicated in the audit.

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

287 (c) The loan administrator shall make its books and records
288 related to the loan program available to the department or its
289 designee for inspection upon reasonable notice.

290 (9) ELIGIBILITY AND APPLICATION.—

291 (a) To be eligible for a microloan, an applicant must, at a
292 minimum, be an entrepreneur or small business located in this
293 state.

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

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

299 2. Provide funds, directly or indirectly, for payment,
300 distribution, or as a microloan to owners, partners, or



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301 shareholders of the applicant's business, except as ordinary
302 compensation for services rendered;

303 3. Finance the acquisition, construction, improvement, or
304 operation of real property which is, or will be, held primarily
305 for sale or investment;

306 4. Pay for lobbying activities; or

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

309 (c) A microloan applicant shall submit a written
310 application in the format prescribed by the loan administrator
311 and shall pay an application fee not to exceed \$50 to the loan
312 administrator.

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

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

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

318 3. A borrower may not receive more than two microloans per
319 year and may not receive more than five microloans in any 3-year
320 period;

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

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

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

328 7. All microloans must be personally guaranteed;

329 8. The borrower must participate in business management



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330 training, business development training, and technical
331 assistance as determined by the loan administrator in the
332 microloan agreement;

333 9. The borrower shall provide such information as required
334 by the loan administrator, including monthly job creation and
335 financial data, in the manner prescribed by the loan
336 administrator; and

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

341 (e) The department may not review microloans made by the
342 loan administrator pursuant to this part before approval of the
343 loan by the loan administrator.

344 (10) STATEWIDE STRATEGIC PLAN.—In implementing this
345 section, the department shall be guided by the 5-year statewide
346 strategic plan adopted pursuant to s. 20.60(5). The department
347 shall promote and advertise the loan program by, among other
348 things, cooperating with government, nonprofit, and private
349 industry to organize, host, or participate in seminars and other
350 forums for entrepreneurs and small businesses.

351 (11) STUDY.—By December 31, 2014, the department shall
352 commence or commission a study to identify methods and best
353 practices that will increase access to credit to entrepreneurs
354 and small businesses in this state. The study must also explore
355 the ability of, and limitations on, Florida nonprofit
356 organizations and private financial institutions to expand
357 access to credit to entrepreneurs and small businesses in this
358 state.



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

364 Section 7. Section 288.9935, Florida Statutes, is created
365 to read:

366 288.9935 Microfinance Guarantee Program.—

367 (1) The Microfinance Guarantee Program is established in
368 the department. The purpose of the program is to stimulate
369 access to credit for entrepreneurs and small businesses in this
370 state by providing targeted guarantees to loans made to such
371 entrepreneurs and small businesses. Funds appropriated to the
372 program must be reinvested and maintained as a long-term and
373 stable source of funding for the program.

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

376 (3) The department must enter into a contract with
377 Enterprise Florida, Inc., to administer the Microfinance
378 Guarantee Program. In administering the program, Enterprise
379 Florida, Inc., must, at a minimum:

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

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

385 (c) Establish reasonable fees and interest;

386 (d) Promote the program to financial institutions that
387 provide loans to entrepreneurs and small businesses in order to



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388 maximize the number of lenders throughout the state which
389 participate in the program;
390 (e) Enter into a memorandum of understanding with the
391 network to promote the program to underserved entrepreneurs and
392 small businesses;
393 (f) Establish limits on the total amount of loan guarantees
394 a single lender can receive;
395 (g) Establish an average loan guarantee amount for loans
396 guaranteed under this section;
397 (h) Establish a risk-sharing strategy to be employed in the
398 event of a loan failure; and
399 (i) Establish financial performance measures and objectives
400 for the program in order to maximize the state funds.
401 (4) Enterprise Florida, Inc., is limited to providing loan
402 guarantees for loans with total loan amounts of at least \$50,000
403 and not more than \$250,000. A loan guarantee may not exceed 50
404 percent of the total loan amount.
405 (5) Enterprise Florida, Inc., may not guarantee a loan if
406 the direct or indirect purpose or result of the loan would be
407 to:
408 (a) Pay off any creditors of the applicant, including the
409 refund of a debt owed to a small business investment company
410 organized pursuant to 15 U.S.C. s. 681;
411 (b) Provide funds, directly or indirectly, for payment,
412 distribution, or as a loan to owners, partners, or shareholders
413 of the applicant's business, except as ordinary compensation for
414 services rendered;
415 (c) Finance the acquisition, construction, improvement, or
416 operation of real property which is, or will be, held primarily



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417 for sale or investment;
418 (d) Pay for lobbying activities; or
419 (e) Replenish funds used for any of the purposes specified
420 in paragraphs (a) through (d).
421 (6) Enterprise Florida, Inc., may not use funds
422 appropriated from the state for costs associated with
423 administering the guarantee program.
424 (7) To be eligible to receive a loan guarantee under the
425 Microfinance Guarantee Program, a borrower must, at a minimum:
426 (a) Be an entrepreneur or small business located in this
427 state;
428 (b) Employ 25 or fewer people;
429 (c) Generate average annual gross revenues of \$1.5 million
430 or less per year for the last 2 years; and
431 (d) Meet any additional requirements established by
432 Enterprise Florida, Inc.
433 (8) By October 1 of each year, Enterprise Florida, Inc.,
434 shall submit a complete and detailed annual report to the
435 department for inclusion in the department's report required
436 under s. 20.60(10). The report must, at a minimum, provide:
437 (a) A comprehensive description of the program, including
438 an evaluation of its application and guarantee activities,
439 recommendations for change, and identification of any other
440 state programs that overlap with the program;
441 (b) An assessment of the current availability of and access
442 to credit for entrepreneurs and small businesses in this state;
443 (c) A summary of the financial and employment results of
444 the entrepreneurs and small businesses receiving loan
445 guarantees, including the number of full-time equivalent jobs



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446 created as a result of the guaranteed loans and the amount of
447 wages paid to employees in the newly created jobs;
448 (d) Industry data about the borrowers, including the six-
449 digit North American Industry Classification System (NAICS)
450 code;
451 (e) The name and location of lenders that receive loan
452 guarantees;
453 (f) The amount of state funds received by Enterprise
454 Florida, Inc.;
455 (g) The number of loan guarantee applications received;
456 (h) The number, duration, location, and amount of
457 guarantees made;
458 (i) The number and amount of guaranteed loans outstanding,
459 if any;
460 (j) The number and amount of guaranteed loans with payments
461 overdue, if any;
462 (k) The number and amount of guaranteed loans in default,
463 if any;
464 (l) The repayment history of the guaranteed loans made; and
465 (m) An evaluation of the program's ability to meet the
466 financial performance measures and objectives specified in
467 subsection (3).
468 (9) The credit of the state or Enterprise Florida, Inc.,
469 may not be pledged except for funds appropriated by law to the
470 Microfinance Guarantee Program. The state is not liable or
471 obligated in any way for claims on the program or against
472 Enterprise Florida, Inc., or the department.
473 Section 8. Section 288.9936, Florida Statutes, is created
474 to read:



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475 288.9936 Annual report of the Microfinance Loan Program.-
476 (1) The department shall include in the report required by
477 s. 20.60(10) a complete and detailed annual report on the
478 Microfinance Loan Program. The report must include:
479 (a) A comprehensive description of the program, including
480 an evaluation of its application and funding activities,
481 recommendations for change, and identification of any other
482 state programs that overlap with the program;
483 (b) The financial institutions and the public and private
484 organizations and individuals participating in the program;
485 (c) An assessment of the current availability of and access
486 to credit for entrepreneurs and small businesses in this state;
487 (d) A summary of the financial and employment results of
488 the entities receiving microloans;
489 (e) The number of full-time equivalent jobs created as a
490 result of the guaranteed loans and the amount of wages paid to
491 employees in the newly created jobs;
492 (f) The number and location of prospective lenders that
493 responded to the department request for proposals;
494 (g) The amount of state funds received by the lender;
495 (h) The number of microloan applications received by the
496 lender;
497 (i) The number, duration, and location of microloans made
498 by the lender;
499 (j) The number and amount of microloans outstanding, if
500 any;
501 (k) The number and amount of microloans with payments
502 overdue, if any;
503 (l) The number and amount of microloans in default, if any;



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504 (m) The repayment history of the microloans made;
505 (n) The repayment history and performance of funding
506 awards;
507 (o) An evaluation of the program's ability to meet the
508 financial performance measures and objectives specified in s.
509 288.9934; and
510 (p) A description and evaluation of the technical
511 assistance and business management and development training
512 provided by the network pursuant to its memorandum of
513 understanding with the lender.
514 (2) The department shall submit the report provided to the
515 department from Enterprise Florida, Inc., pursuant to
516 288.9935(7) for inclusion in the department's annual report
517 required under s. 20.60(10).
518 (3) The department shall require at least quarterly reports
519 from the lender. The lender's report must include, at a minimum,
520 the number of microloan applications received, the number of
521 microloans made, the amount and interest rate of each microloan
522 made, the amount of technical assistance or business development
523 and management training provided, the number of full-time
524 equivalent jobs created as a result of the microloans, the
525 amount of wages paid to employees in the newly created jobs, the
526 six-digit North American Industry Classification System (NAICS)
527 code associated with the borrower's business, and the borrower's
528 locations.
529 (4) The Office of Program Policy Analysis and Government
530 Accountability shall conduct a study to evaluate the
531 effectiveness and return on investment of the State Small
532 Business Credit Initiative operated in this state pursuant to 12



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533 U.S.C. ss. 5701 et seq. The office shall submit a report to the
534 President of the Senate and the Speaker of the House of
535 Representatives by January 1, 2015.

536 Section 9. Section 288.9937, Florida Statutes, is created
537 to read:

538 288.9937 Evaluation of programs.—The Office of Program
539 Policy Analysis and Government Accountability shall analyze,
540 evaluate, and determine the economic benefits, as defined in s.
541 288.005, of the first 3 years of the Microfinance Loan Program
542 and the Microfinance Guarantee Program. The analysis must also
543 evaluate the number of jobs created, the increase or decrease in
544 personal income, and the impact on state gross domestic product
545 from the direct, indirect, and induced effects of the state's
546 investment. The analysis must also identify any inefficiencies
547 in the programs and provide recommendations for changes to the
548 programs. The office shall submit a report to the President of
549 the Senate and the Speaker of the House of Representatives by
550 January 1, 2018. This section expires January 31, 2018.

551 Section 10. (1) The executive director of the Department of
552 Economic Opportunity is authorized, and all conditions are
553 deemed to be met, to adopt emergency rules pursuant to ss.
554 120.536(1) and 120.54(4), Florida Statutes, for the purpose of
555 implementing this act.

556 (2) Notwithstanding any other provision of law, the
557 emergency rules adopted pursuant to subsection (1) remain in
558 effect for 6 months after adoption and may be renewed during the
559 pendency of procedures to adopt permanent rules addressing the
560 subject of the emergency rules.

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



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562 Section 11. For the 2014-2015 fiscal year, the sum of \$10
563 million in nonrecurring funds from the General Revenue Fund is
564 appropriated to the Department of Economic Opportunity to
565 implement this act. From these nonrecurring funds, the
566 Department of Economic Opportunity and Enterprise Florida, Inc.,
567 may spend up to \$100,000 to market and promote the Microfinance
568 Loan Program. For the 2014-2015 fiscal year, one full-time
569 equivalent position is authorized with \$55,000 of salary rate,
570 and \$64,759 of recurring funds and \$3,018 of nonrecurring funds
571 from the State Economic Enhancement and Development Trust Fund,
572 \$12,931 of recurring funds and \$604 of nonrecurring funds from
573 the Tourism Promotional Trust Fund, and \$3,233 of recurring
574 funds and \$151 of nonrecurring funds from the Florida
575 International Trade and Promotion Trust Fund are appropriated to
576 the Department of Economic Opportunity to implement this act.

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

578
579 ===== T I T L E A M E N D M E N T =====

580 And the title is amended as follows:

581 Delete everything before the enacting clause
582 and insert:

583 A bill to be entitled
584 An act relating to microfinance; creating Part XIV of
585 ch. 288, F.S., consisting of ss. 288.993-288.9937,
586 F.S., relating to microfinance programs; creating s.
587 288.993, F.S.; providing a short title; creating s.
588 288.9931, F.S.; providing legislative findings and
589 intent; creating s. 288.9932, F.S.; defining terms;
590 creating s. 288.9933, F.S.; authorizing the Department



591 of Economic Opportunity to adopt rules to implement
592 this part; creating s. 288.9934, F.S.; establishing
593 the Microfinance Loan Program; providing a purpose;
594 defining the term "loan administrator"; requiring the
595 Department of Economic Opportunity to contract with at
596 least one entity to administer the program; requiring
597 the loan administrator to contract with the department
598 to receive an award of funds; providing other terms
599 and conditions to receiving funds; specifying fees
600 authorized to be charged by the department and the
601 loan administrator; requiring the loan administrator
602 to remit the microloan principal collected from all
603 microloans made with state funds received by the loan
604 administrator; providing for contract termination;
605 providing for auditing and reporting; requiring
606 applicants for funds from the Microfinance Loan
607 Program to meet certain qualifications; requiring the
608 department to be guided by the 5-year statewide
609 strategic plan and to advertise and promote the loan
610 program; requiring the department to perform a study
611 on methods and best practices to increase the
612 availability of and access to credit in this state;
613 prohibiting the pledging of the credit of the state;
614 authorizing the department to adopt rules; creating s.
615 288.9935, F.S.; establishing the Microfinance
616 Guarantee Program; defining the term "lender";
617 requiring the department to contract with Enterprise
618 Florida, Inc., to administer the program; prohibiting
619 Enterprise Florida, Inc., from guaranteeing certain



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620 loans; requiring borrowers to meet certain conditions
621 before receiving a loan guarantee; requiring
622 Enterprise Florida, Inc., to submit an annual report
623 to the department; prohibiting the pledging of the
624 credit of the state or Enterprise Florida, Inc.;

625 creating s. 288.9936, F.S.; requiring the department
626 to report annually on the Microfinance Loan Program;
627 requiring the Office of Program Policy Analysis and
628 Government Accountability to report on the
629 effectiveness of the State Small Business Credit
630 Initiative; creating s. 288.9937, F.S.; requiring the
631 Office of Program Policy Analysis and Government
632 Accountability to evaluate and report on the
633 Microfinance Loan Program and the Microfinance
634 Guarantee Program by a specified date; authorizing the
635 executive director of the Department of Economic
636 Opportunity to adopt emergency rules; providing an
637 appropriation to the Department of Economic
638 Opportunity; authorizing the Department of Economic
639 Opportunity and Enterprise Florida, Inc., to spend a
640 specified amount for marketing and promotional
641 purposes; authorizing and providing an appropriation
642 for one full-time equivalent position; providing an
643 effective date.