

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