



351830

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/25/2014	.	
	.	
	.	
	.	

The Committee on Military and Veterans Affairs, Space, and Domestic Security (Evers) recommended the following:

Senate Amendment

Delete lines 97 - 179
and insert:

(5) "Loan administrator" means an entity statutorily eligible to receive state funds and authorized by the department to make loans under a loan program.

(6) "Loan program" means a program established in this chapter to provide appropriated funds to an eligible entity to further a specific state purpose for a limited period of time



351830

11 and with a requirement that such appropriated funds be repaid to
12 the state. The term includes a "loan fund" or "loan pilot
13 program" administered by the department under this chapter.

14 Section 3. Section 288.006, Florida Statutes, is created to
15 read:

16 288.006 General operation of loan programs.-

17 (1) The Legislature intends to promote the goals of
18 accountability and proper stewardship by recipients of loan
19 program funds. This section applies to all loan programs
20 established under this chapter.

21 (2) State funds appropriated for a loan program may be used
22 only by an eligible recipient or loan administrator, and the use
23 of such funds is restricted to the specific state purpose of the
24 loan program, subject to any compensation due to a loan
25 administrator as provided under this chapter. State funds may be
26 awarded directly by the department to an eligible recipient or
27 awarded by the department to a loan administrator. All state
28 funds, including any interest earned, remain state funds unless
29 otherwise stated in the statutory requirements of the loan
30 program.

31 (3) (a) Upon termination of a loan program by the
32 Legislature or by statute, all appropriated funds shall revert
33 to the General Revenue Fund. The department shall pay the entity
34 for any allowable administrative expenses due to the loan
35 administrator as provided under this chapter, unless otherwise
36 required by law.

37 (b) Upon termination of a contract between the department
38 and an eligible recipient or loan administrator, all remaining
39 appropriated funds shall revert to the fund from which the



351830

40 appropriation was made. The department shall become the
41 successor entity for any outstanding loans. Except in the case
42 of the termination of a contract for fraud or a finding that the
43 loan administrator was not meeting the terms of the program, the
44 department shall pay the entity for any allowable administrative
45 expenses due to the loan administrator as provided under this
46 chapter.

47 (c) The eligible recipient or loan administrator to which
48 this subsection applies shall execute all appropriate
49 instruments to reconcile any remaining accounts associated with
50 a terminated loan program or contract. The entity shall execute
51 all appropriate instruments to ensure that the department is
52 authorized to collect all receivables for outstanding loans,
53 including, but not limited to, assignments of promissory notes
54 and mortgages.

55 (4) An eligible recipient or loan administrator must avoid
56 any potential conflict of interest regarding the use of
57 appropriated funds for a loan program. An eligible recipient or
58 loan administrator or a board member, employee, or agent
59 thereof, or an immediate family member of a board member,
60 employee, or agent, may not have a financial interest in an
61 entity that is awarded a loan under a loan program. A loan may
62 not be made to a person or entity if a conflict of interest
63 exists between the parties involved. As used in this subsection,
64 the term "immediate family" means a parent, spouse, child,
65 sibling, grandparent, or grandchild related by blood or
66 marriage.

67 (5) In determining eligibility for an entity applying for
68 the award of funds directly by the department or applying for



351830

69 selection as a loan administrator for a loan program, the
70 department shall evaluate each applicant's business practices,
71 financial stability, and past performance in other state
72 programs, in addition to the loan program's statutory
73 requirements. Eligibility of an entity applying to be a
74 recipient or loan administrator may be conditionally granted or
75 denied outright if the department determines that the entity is
76 noncompliant with any law, rule, or program requirement.

77 (6) Recurring use of state funds, including revolving loans
78 or new negotiable instruments, which have been repaid to the
79 loan administrator may be made if the loan program's statutory
80 structure permits. However, any use of state funds made by a
81 loan administrator remains subject to subsections (2) and (3),
82 and compensation to a loan administrator may not exceed any
83 limitation provided by this chapter.

84 (7) The Auditor General may conduct audits as provided in
85 s. 11.45 to verify that the appropriations under each loan
86 program are expended by the eligible recipient or loan
87 administrator as required for each program. If the Auditor
88 General determines that the appropriations are not expended as
89 required, the Auditor General shall notify the department, which
90 may pursue recovery of the funds. This section does not prevent
91 the department from pursuing recovery of the appropriated loan
92 program funds when necessary to protect the funds or when
93 authorized by law.