



732244

LEGISLATIVE ACTION

Senate

.

House

.

.

Floor: 1d/RE/2R

.

05/01/2014 03:18 PM

.

.

Senator Benacquisto moved the following:

1 **Senate Amendment to Amendment (494350) (with title**
2 **amendment)**

3
4 Between lines 1760 and 1761
5 insert:

6 Section 43. Part XIV of chapter 288, Florida Statutes,
7 consisting of ss. 288.993-288.9937, is created and entitled
8 "Microfinance Programs."

9 Section 44. Section 288.993, Florida Statutes, is created
10 to read:

11 288.993 Short title.—This part may be cited as the "Florida



732244

12 Microfinance Act.”

13 Section 45. Section 288.9931, Florida Statutes, is created
14 to read:

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

34 Section 46. Section 288.9932, Florida Statutes, is created
35 to read:

36 288.9932 Definitions.—As used in this part, the term:

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

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



732244

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

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

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

52 Section 47. Section 288.9933, Florida Statutes, is created
53 to read:

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

56 Section 48. Section 288.9934, Florida Statutes, is created
57 to read:

58 288.9934 Microfinance Loan Program.—

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

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



732244

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

73 (3) REQUEST FOR PROPOSAL.—

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

79 1. Is a corporation registered in this state;

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

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

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

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

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

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

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

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



732244

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

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

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

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

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

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

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

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



732244

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

135 (4) CONTRACT AND AWARD OF FUNDS.—

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

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

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



732244

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

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

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

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

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

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

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

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



732244

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

192 (5) FEES.—

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

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

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

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

214 (6) REPAYMENT OF AWARD FUNDS.—



732244

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

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

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

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

241 (7) CONTRACT TERMINATION.—

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



732244

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

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

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

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

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

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

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

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



732244

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

279 (8) AUDITS AND REPORTING.—

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

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

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

291 (9) ELIGIBILITY AND APPLICATION.—

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

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

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

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



732244

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

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

307 4. Pay for lobbying activities; or

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

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

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

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

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

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

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

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

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

329 7. All microloans must be personally guaranteed;

330 8. The borrower must participate in business management



732244

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

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

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

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

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

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



732244

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

365 Section 49. Section 288.9935, Florida Statutes, is created
366 to read:

367 288.9935 Microfinance Guarantee Program.—

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

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

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

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

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

386 (c) Establish reasonable fees and interest;

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



732244

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



732244

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



732244

447 created as a result of the guaranteed loans and the amount of
448 wages paid to employees in the newly created jobs;
449 (d) Industry data about the borrowers, including the six-
450 digit North American Industry Classification System (NAICS)
451 code;
452 (e) The name and location of lenders that receive loan
453 guarantees;
454 (f) The amount of state funds received by Enterprise
455 Florida, Inc.;
456 (g) The number of loan guarantee applications received;
457 (h) The number, duration, location, and amount of
458 guarantees made;
459 (i) The number and amount of guaranteed loans outstanding,
460 if any;
461 (j) The number and amount of guaranteed loans with payments
462 overdue, if any;
463 (k) The number and amount of guaranteed loans in default,
464 if any;
465 (l) The repayment history of the guaranteed loans made; and
466 (m) An evaluation of the program's ability to meet the
467 financial performance measures and objectives specified in
468 subsection (3).
469 (9) The credit of the state or Enterprise Florida, Inc.,
470 may not be pledged except for funds appropriated by law to the
471 Microfinance Guarantee Program. The state is not liable or
472 obligated in any way for claims on the program or against
473 Enterprise Florida, Inc., or the department.
474 Section 50. Section 288.9936, Florida Statutes, is created
475 to read:



732244

476 288.9936 Annual report of the Microfinance Loan Program.-

477 (1) The department shall include in the report required by
478 s. 20.60(10) a complete and detailed annual report on the
479 Microfinance Loan Program. The report must include:

480 (a) A comprehensive description of the program, including
481 an evaluation of its application and funding activities,
482 recommendations for change, and identification of any other
483 state programs that overlap with the program;

484 (b) The financial institutions and the public and private
485 organizations and individuals participating in the program;

486 (c) An assessment of the current availability of and access
487 to credit for entrepreneurs and small businesses in this state;

488 (d) A summary of the financial and employment results of
489 the entities receiving microloans;

490 (e) The number of full-time equivalent jobs created as a
491 result of the microloans and the amount of wages paid to
492 employees in the newly created jobs;

493 (f) The number and location of prospective loan
494 administrators that responded to the department request for
495 proposals;

496 (g) The amount of state funds received by the loan
497 administrator;

498 (h) The number of microloan applications received by the
499 loan administrator;

500 (i) The number, duration, and location of microloans made
501 by the loan administrator, including the aggregate number of
502 microloans made to minority business enterprises if available;

503 (j) The number and amount of microloans outstanding, if
504 any;



732244

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



732244

534 Accountability shall conduct a study to evaluate the
535 effectiveness and return on investment of the State Small
536 Business Credit Initiative operated in this state pursuant to 12
537 U.S.C. ss. 5701 et seq. The office shall submit a report to the
538 President of the Senate and the Speaker of the House of
539 Representatives by January 1, 2015.

540 Section 51. Section 288.9937, Florida Statutes, is created
541 to read:

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

555 Section 52. (1) The executive director of the Department of
556 Economic Opportunity is authorized, and all conditions are
557 deemed to be met, to adopt emergency rules pursuant to ss.
558 120.536(1) and 120.54(4), Florida Statutes, for the purpose of
559 implementing this act.

560 (2) Notwithstanding any other provision of law, the
561 emergency rules adopted pursuant to subsection (1) remain in
562 effect for 6 months after adoption and may be renewed during the



732244

563 pendency of procedures to adopt permanent rules addressing the
564 subject of the emergency rules.

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

566 Section 53. For the 2014-2015 fiscal year, the sum of \$10
567 million in nonrecurring funds from the General Revenue Fund is
568 appropriated to the Department of Economic Opportunity to
569 implement this act. From these nonrecurring funds, the
570 Department of Economic Opportunity and Enterprise Florida, Inc.,
571 may spend up to \$100,000 to market and promote the programs
572 created in this act. For the 2014-2015 fiscal year, one full-
573 time equivalent position is authorized with 55,000 of salary
574 rate, and \$64,759 of recurring funds and \$3,018 of nonrecurring
575 funds from the State Economic Enhancement and Development Trust
576 Fund, \$12,931 of recurring funds and \$604 of nonrecurring funds
577 from the Tourism Promotional Trust Fund, and \$3,233 of recurring
578 funds and \$151 of nonrecurring funds from the Florida
579 International Trade and Promotion Trust Fund are appropriated to
580 the Department of Economic Opportunity to implement this act.

581
582 ===== T I T L E A M E N D M E N T =====

583 And the title is amended as follows:

584 Delete line 1864

585 and insert:

586 references to changes made by the act; creating Part
587 XIV of ch. 288, F.S., consisting of ss. 288.993-
588 288.9937, F.S., relating to microfinance programs;
589 creating s. 288.993, F.S.; providing a short title;
590 creating s. 288.9931, F.S.; providing legislative
591 findings and intent; creating s. 288.9932, F.S.;



732244

592 defining terms; creating s. 288.9933, F.S.;

593 authorizing the Department of Economic Opportunity to

594 adopt rules to implement this part; creating s.

595 288.9934, F.S.; establishing the Microfinance Loan

596 Program; providing a purpose; defining the term "loan

597 administrator"; requiring the Department of Economic

598 Opportunity to contract with at least one entity to

599 administer the program; requiring the loan

600 administrator to contract with the department to

601 receive an award of funds; providing other terms and

602 conditions to receiving funds; specifying fees

603 authorized to be charged by the department and the

604 loan administrator; requiring the loan administrator

605 to remit the microloan principal collected from all

606 microloans made with state funds received by the loan

607 administrator; providing for contract termination;

608 providing for auditing and reporting; requiring

609 applicants for funds from the Microfinance Loan

610 Program to meet certain qualifications; requiring the

611 department to be guided by the 5-year statewide

612 strategic plan and to advertise and promote the loan

613 program; requiring the department to perform a study

614 on methods and best practices to increase the

615 availability of and access to credit in this state;

616 prohibiting the pledging of the credit of the state;

617 authorizing the department to adopt rules; creating s.

618 288.9935, F.S.; establishing the Microfinance

619 Guarantee Program; defining the term "lender";

620 requiring the department to contract with Enterprise



732244

621 Florida, Inc., to administer the program; prohibiting
622 Enterprise Florida, Inc., from guaranteeing certain
623 loans; requiring borrowers to meet certain conditions
624 before receiving a loan guarantee; requiring
625 Enterprise Florida, Inc., to submit an annual report
626 to the department; prohibiting the pledging of the
627 credit of the state or Enterprise Florida, Inc.;
628 creating s. 288.9936, F.S.; requiring the department
629 to report annually on the Microfinance Loan Program;
630 requiring the Office of Program Policy Analysis and
631 Government Accountability to report on the
632 effectiveness of the State Small Business Credit
633 Initiative; creating s. 288.9937, F.S.; requiring the
634 Office of Program Policy Analysis and Government
635 Accountability to evaluate and report on the
636 Microfinance Loan Program and the Microfinance
637 Guarantee Program by a specified date; authorizing the
638 executive director of the Department of Economic
639 Opportunity to adopt emergency rules; providing an
640 appropriation to the Department of Economic
641 Opportunity; authorizing the Department of Economic
642 Opportunity and Enterprise Florida, Inc., to spend a
643 specified amount for marketing and promotional
644 purposes; authorizing and providing an appropriation
645 for one full-time equivalent position; providing an