

By Senator Soto

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1                                   A bill to be entitled  
 2       An act relating to economic incentives for small  
 3       technology companies; amending s. 288.9931, F.S.;  
 4       conforming provisions to changes made by the act;  
 5       amending s. 288.9932, F.S.; defining the term "small  
 6       technology company"; amending s. 288.9935, F.S.;  
 7       authorizing the provision of loans to small technology  
 8       companies through the Microfinance Guarantee Program;  
 9       defining the term "applicant"; conforming provisions  
 10      to changes made by the act; providing an  
 11      appropriation; providing an effective date.

12  
 13 Be It Enacted by the Legislature of the State of Florida:

14  
 15       Section 1. Section 288.9931, Florida Statutes, is amended  
 16      to read:

17       288.9931 Legislative findings and intent.—The Legislature  
 18      finds that the ability of entrepreneurs, and small businesses,  
 19      and small technology companies to access capital is vital to the  
 20      overall health and growth of this state's economy; however,  
 21      access to capital is limited by the lack of available credit for  
 22      such entrepreneurs and ~~small~~ businesses in this state. The  
 23      Legislature further finds that entrepreneurs, and small  
 24      businesses, and small technology companies could be assisted  
 25      through the creation of a program that will provide an avenue  
 26      ~~for entrepreneurs and small businesses in this state~~ to access  
 27      credit. Additionally, the Legislature finds that business  
 28      management training, business development training, and  
 29      technical assistance are necessary to ensure that entrepreneurs,

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30 ~~and~~ small businesses, and small technology companies that  
 31 receive credit develop the skills necessary to grow and achieve  
 32 long-term financial stability. The Legislature intends to expand  
 33 job opportunities for this state's workforce by expanding access  
 34 to credit to entrepreneurs, ~~and~~ small businesses, and small  
 35 technology companies. Furthermore, the Legislature intends to  
 36 avoid duplicating existing programs and to coordinate, assist,  
 37 augment, and improve access to those programs for entrepreneurs,  
 38 ~~and~~ small businesses, and small technology companies in this  
 39 state.

40 Section 2. Subsection (6) is added to section 288.9932,  
 41 Florida Statutes, to read:

42 288.9932 Definitions.—As used in this part, the term:

43 (6) "Small technology company" means a business that:

44 (a) Is authorized to do business in this state and has its  
 45 principal place of business located in this state.

46 (b) Generated annual gross revenues of \$250,000 or less per  
 47 year for the preceding 2 years.

48 (c) Has a net worth less than \$1 million.

49 (d) Primarily engages in business activities in the sectors  
 50 of solar energy, biotechnology, biofuel, commercial space  
 51 flight, or in the production of simulation software or sensors.

52 Section 3. Subsections (1), (2), (3), (7), and (8) of  
 53 section 288.9935, Florida Statutes, are amended to read:

54 288.9935 Microfinance Guarantee Program.—

55 (1) The Microfinance Guarantee Program is established in  
 56 the department. The purpose of the program is to stimulate  
 57 access to credit for entrepreneurs, ~~and~~ small businesses, and  
 58 small technology companies in this state by providing targeted

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59 guarantees to loans made to such entrepreneurs and ~~small~~  
60 businesses. Funds appropriated to the program must be reinvested  
61 and maintained as a long-term and stable source of funding for  
62 the program.

63 (2) As used in this section, the term:

64 (a) "Applicant" has the meaning provided in s. 288.9932,  
65 and also includes a small technology company.

66 (b) "Lender" means a financial institution as defined in s.  
67 655.005.

68 (3) The department must enter into a contract with  
69 Enterprise Florida, Inc., to administer the Microfinance  
70 Guarantee Program. In administering the program, Enterprise  
71 Florida, Inc., must, at a minimum:

72 (a) Establish lender and borrower eligibility requirements  
73 in addition to those provided in this section.†

74 (b) Determine a reasonable leverage ratio of loan amounts  
75 guaranteed to state funds; however, the leverage ratio may not  
76 exceed 3 to 1.†

77 (c) Establish reasonable fees and interest.†

78 (d) Promote the program to financial institutions that  
79 provide loans to entrepreneurs, ~~and~~ small businesses, and small  
80 technology companies in order to maximize the number of lenders  
81 throughout the state which participate in the program.†

82 (e) Enter into a memorandum of understanding with the  
83 network to promote the program to underserved entrepreneurs, ~~and~~  
84 small businesses, and small technology companies.†

85 (f) Establish limits on the total amount of loan guarantees  
86 a single lender can receive.†

87 (g) Establish an average loan guarantee amount for loans

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88 guaranteed under this section.~~†~~

89 (h) Establish a risk-sharing strategy to be employed in the  
90 event of a loan failure.~~†~~~~and~~

91 (i) Establish financial performance measures and objectives  
92 for the program in order to maximize the state funds.

93 (7) To be eligible to receive a loan guarantee under the  
94 Microfinance Guarantee Program, a borrower must, at a minimum:

95 (a) Be an entrepreneur or small business located in this  
96 state that employs~~†~~

97 ~~(b) Employ 25 or fewer people;† and generates~~

98 ~~(c) Generate average annual gross revenues of \$1.5 million~~  
99 ~~or less per year for the last 2 years~~ or be a small technology  
100 company.~~†~~~~and~~

101 ~~(b)(d)~~ Meet any additional requirements established by  
102 Enterprise Florida, Inc.

103 (8) By October 1 of each year, Enterprise Florida, Inc.,  
104 shall submit a complete and detailed annual report to the  
105 department for inclusion in the department's report required  
106 under s. 20.60(10). The report must, at a minimum, provide:

107 (a) A comprehensive description of the program, including  
108 an evaluation of its application and guarantee activities,  
109 recommendations for change, and identification of any other  
110 state programs that overlap with the program.~~†~~

111 (b) An assessment of the current availability of and access  
112 to credit for entrepreneurs, ~~and~~ small businesses, and small  
113 technology companies in this state.~~†~~

114 (c) A summary of the financial and employment results of  
115 the entrepreneurs, ~~and~~ small businesses, and small technology  
116 companies receiving loan guarantees, including the number of

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117 full-time equivalent jobs created as a result of the guaranteed  
118 loans and the amount of wages paid to employees in the newly  
119 created jobs.~~†~~

120 (d) Industry data about the borrowers, including the six-  
121 digit North American Industry Classification System (NAICS)  
122 code.~~†~~

123 (e) The name and location of lenders that receive loan  
124 guarantees.~~†~~

125 (f) The amount of state funds received by Enterprise  
126 Florida, Inc.~~†~~

127 (g) The number of loan guarantee applications received.~~†~~

128 (h) The number, duration, location, and amount of  
129 guarantees made.~~†~~

130 (i) The number and amount of guaranteed loans outstanding,  
131 if any.~~†~~

132 (j) The number and amount of guaranteed loans with payments  
133 overdue, if any.~~†~~

134 (k) The number and amount of guaranteed loans in default,  
135 if any.~~†~~

136 (l) The repayment history of the guaranteed loans made.~~†~~  
137 and

138 (m) An evaluation of the program's ability to meet the  
139 financial performance measures and objectives specified in  
140 subsection (3).

141 Section 4. For the 2015-2016 fiscal year, the sum of \$50  
142 million in nonrecurring funds from the General Revenue Fund is  
143 appropriated to the Department of Economic Opportunity to be  
144 used exclusively for the purpose of guaranteeing loans for small  
145 technology companies under s. 288.9935, Florida Statutes.

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Section 5. This act shall take effect July 1, 2015.