

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 revising the legislative findings and intent to  
5 include small technology companies; amending s.  
6 288.9932, F.S.; defining the term "small technology  
7 company"; amending s. 288.9935, F.S.; authorizing the  
8 provision of loans to small technology companies  
9 through the Microfinance Guarantee Program; defining  
10 the term "applicant"; conforming provisions to changes  
11 made by the act; providing an appropriation; providing  
12 an effective date.

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

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

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

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

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

43 288.9932 Definitions.—As used in this part, the term:

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

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

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

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

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

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

55 288.9935 Microfinance Guarantee Program.—

56 (1) The Microfinance Guarantee Program is established in  
57 the department. The purpose of the program is to stimulate  
58 access to credit for entrepreneurs, ~~and~~ small businesses, and

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59 small technology companies in this state by providing targeted  
60 guarantees to loans made to such entrepreneurs, ~~and~~ small  
61 businesses, and small technology companies. Funds appropriated  
62 to the program must be reinvested and maintained as a long-term  
63 and stable source of funding for the program.

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

65 (a) "Applicant" has the same meaning as provided in s.  
66 288.9932 and also includes a small technology company.

67 (b) "Lender" means a financial institution as defined in s.  
68 655.005.

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

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

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

78 (c) Establish reasonable fees and interest.†

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

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

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

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88 (g) Establish an average loan guarantee amount for loans  
89 guaranteed under this section.†

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

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

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

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

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

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

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

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

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

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

115 (c) A summary of the financial and employment results of  
116 the entrepreneurs, and small businesses, and small technology

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117 companies receiving loan guarantees, including the number of  
118 full-time equivalent jobs created as a result of the guaranteed  
119 loans and the amount of wages paid to employees in the newly  
120 created jobs.†

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

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

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

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

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

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

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

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

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

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

142 Section 4. For the 2016-2017 fiscal year, the sum of \$50  
143 million in nonrecurring funds from the General Revenue Fund is  
144 appropriated to the Department of Economic Opportunity, to be  
145 used exclusively for the purpose of guaranteeing loans for small

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146 technology companies under s. 288.9935, Florida Statutes.

147 Section 5. This act shall take effect July 1, 2016.