

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:

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 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
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
48 | per 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
 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
 68 s. 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. ~~†~~

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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
 87 guarantees a single lender can receive.†

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
 91 the event of a loan failure.† ~~and~~

92 (i) Establish financial performance measures and
 93 objectives 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
 113 access to credit for entrepreneurs, ~~and~~ small businesses, and
 114 small 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
 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
 134 payments 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
 146 technology companies under s. 288.9935, Florida Statutes.

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