

1 A bill to be entitled
2 An act relating to safe neighborhood improvement
3 districts; creating s. 163.5161, F.S.; creating the
4 Safe Neighborhood Improvement District Revolving Loan
5 Program; providing definitions; authorizing the
6 Department of Legal Affairs to provide loans for
7 specified projects within safe neighborhood
8 improvement districts; authorizing a safe neighborhood
9 improvement district to borrow funds made available
10 under the program and pledge revenues to repay such
11 funds; specifying the procedures by which the
12 department is to administer and manage the loans;
13 specifying the term of such loans; authorizing the
14 department to provide financial assistance to small
15 safe neighborhood improvement districts; authorizing
16 the department to adopt rules related to the loan
17 program; requiring the department to prepare an annual
18 report and submit it to specified committees in the
19 Legislature; specifying items that the safe
20 neighborhood improvement districts must submit to the
21 department before being approved for loans; requiring
22 the approval of the use of the revolving loans by the
23 registered voters of the district by referendum;
24 specifying items to be included in the referendum;
25 requiring the referendum to be by sent by mail;

26 specifying audit procedures once a loan project is
 27 completed; authorizing the department to charge
 28 reasonable service fees on loans to ensure the Safe
 29 Neighborhood Improvement District Revolving Loan Trust
 30 Fund will be operated in perpetuity; specifying fee
 31 amounts; restricting uses of the trust fund;
 32 specifying procedures if a safe neighborhood
 33 improvement district defaults under the terms of its
 34 loan agreement; authorizing the department to levy
 35 penalties for delinquent loan payments; authorizing
 36 the department to terminate or rescind a financial
 37 assistance agreement under certain conditions;
 38 providing an effective date.

39
 40 Be It Enacted by the Legislature of the State of Florida:

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 42 Section 1. Section 163.5161, Florida Statutes, is created
 43 to read:

44 163.5161 Safe Neighborhood Improvement District Revolving
 45 Loan Program; use; rules.—

46 (1) The purpose of this section is to help implement the
 47 legislative public policy of guiding the coordinated, balanced,
 48 and harmonious development of safe neighborhood improvement
 49 districts. This is accomplished by ensuring such districts have
 50 adequate finances to plan and increase crime prevention through

51 environmental design, environmental security, or defensible
52 space techniques, or through community policing innovations.

53 (2) For purposes of this section, the term:

54 (a) "Bonds" means bonds, certificates, or other
55 obligations of indebtedness issued by the department under this
56 section.

57 (b) "Neighborhood improvements" means all facilities,
58 including land, water, utilities, and roads, necessary for
59 providing critical infrastructure to implement the crime
60 prevention plans of a safe neighborhood improvement district.

61 (3) The department may provide loan guarantees, purchase
62 loan insurance, and refinance local debt through the issue of
63 new loans for projects that are in plans of a safe neighborhood
64 improvement district and that have been approved by the
65 department. A safe neighborhood improvement district may borrow
66 funds made available pursuant to this section and may pledge any
67 revenues or other adequate security available to them to repay
68 any funds borrowed.

69 (a) The department shall administer loans so that 15
70 percent of the amounts credited to the Safe Neighborhood
71 Improvement District Revolving Loan Trust Fund in any fiscal
72 year are reserved for small safe neighborhood improvement
73 districts.

74 (b) If an insufficient number of the projects for which
75 funds are reserved under this subsection have been submitted to

76 | the department at the time a funding priority list is adopted,
77 | the reservation of these funds no longer applies. The department
78 | may award the unreserved funds as otherwise provided in this
79 | section.

80 | (4) The term of loans made pursuant to this section may
81 | not exceed the life of the project secured by the bond. The
82 | interest rate on such loans may not exceed that paid on the last
83 | bonds sold pursuant to s. 14, Art. VII of the State
84 | Constitution.

85 | (5)(a) The department may provide financial assistance to
86 | small neighborhood improvement districts, as determined by the
87 | department, including providing forgiveness of the loan
88 | principal.

89 | (b) The department shall establish by rule the criteria
90 | for determining whether a safe neighborhood improvement district
91 | serves a financially disadvantaged community. Such criteria
92 | shall be based on the median household income of the service
93 | population or other reliably documented measures of
94 | disadvantaged status.

95 | (6) In order to ensure that public moneys are managed in
96 | an equitable, prudent, and cost-effective manner, the total
97 | amount of money loaned to any safe neighborhood improvement
98 | district during a fiscal year may not exceed 25 percent of the
99 | total funds available for making loans during that year.

100 | (7) The department may adopt rules to:

101 (a) Establish a priority system for loans based on degree
102 of likelihood of enhancing crime prevention and affordability
103 within a safe neighborhood improvement district.

104 (b) Establish the requirements for the award and repayment
105 of financial assistance.

106 (c) Require evidence of credit worthiness and adequate
107 security, including an identification of revenues to be pledged
108 and documentation of the sufficiency of revenues for loan
109 repayment and pledged revenue coverage, to ensure that each loan
110 recipient can meet its loan repayment requirements.

111 (d) Require each project receiving financial assistance to
112 be cost-effective, environmentally sound, implementable, and
113 self-supporting.

114 (8) The department shall prepare a report at the end of
115 each fiscal year, detailing the financial assistance provided
116 under this section, service fees collected, interest earned, and
117 loans outstanding. The report shall be provided to the
118 appropriations committees in the Senate and the House of
119 Representatives.

120 (9) Prior to being approved for a loan, the safe
121 neighborhood improvement district shall, at a minimum:

122 (a) Provide a repayment schedule.

123 (b) Submit evidence that the project proposed for
124 financial assistance can be permitted or implemented.

125 (c) Submit plans and specifications, biddable contract

126 documents, or other documentation of appropriate procurement of
127 goods and services.

128 (d) Provide assurance that records will be kept using
129 generally accepted accounting principles and that the department
130 and the Auditor General will have access to all records
131 pertaining to the loan.

132 (e) Provide assurance that the goods and services funded
133 will be properly operated and maintained.

134 (10) A safe neighborhood improvement district may not
135 receive a revolving loan under this section unless the local
136 government approves a resolution that provides for a referendum
137 and the qualified electors of the district have approved the use
138 of revolving loans by referendum. The referendum must include
139 the estimated cost of the capital projects that are anticipated
140 to be funded by the revolving loan funds and the amount of the
141 loan.

142 (a) The referendum to approve the loan funds shall be by
143 mail ballot.

144 (b) Within 45 days after the date the city or county
145 commission enacts an ordinance calling a referendum, the city
146 clerk or the supervisor of elections, as appropriate, shall
147 compile a list of the names and last known addresses of the
148 electors within the safe neighborhood improvement district from
149 the list of registered voters of the municipality or county, as
150 appropriate, as of the last day of the preceding month, which

151 shall be the registration list for the referendum. A resident of
152 the district whose name does not appear on the registration list
153 may register to vote in the referendum as otherwise provided by
154 law.

155 (c) Within 45 days after compilation of the voter
156 registration list, the city clerk or the supervisor of
157 elections, as appropriate, shall notify each qualified elector
158 of the provisions of the ordinance and the date of the upcoming
159 referendum. Notification shall be by first-class mail and by
160 publication, one time, in a newspaper of general circulation in
161 the municipality or county, as appropriate, in which the
162 district is located.

163 (d) The registration list must remain open for 75 days
164 after the date of the mailing of the notices to the electors as
165 provided in paragraph (c).

166 (e) Within 15 days after closing the registration list,
167 the city clerk or the supervisor of elections, as appropriate,
168 shall send a ballot to each elector at his or her last known
169 mailing address by first-class mail. The ballot shall include:

170 1. A description of the capital projects to be funded by
171 the loan and revenue sources that will be used to repay the
172 loan.

173 2. The following statement:

174 "Do you favor authorizing the Safe Neighborhood
175 Improvement District to use revolving loan funds in the amount

176 | of to finance capital projects that are estimated to cost \$
 177 | as provided by ... (legal citation of this act)?

178 |Yes, I favor authorizing the use of revolving loan
 179 | funds for district purposes.

180 |No, I am opposed to authorizing the use of revolving
 181 | loan funds for district purposes.

182 | (f) Ballots must be returned by mail or by personal
 183 | delivery.

184 | (g) All ballots received within 60 days after the closing
 185 | of the registration list shall be tabulated by the city clerk or
 186 | the supervisor of elections, as appropriate, who shall certify
 187 | the results thereof to the city or county commission, as
 188 | appropriate, no later than 5 days thereafter.

189 | (h) The use of revolving loan funds is deemed to have been
 190 | approved only upon the affirmative vote of a majority of the
 191 | registered voters in the district voting on the issue.

192 | (11) The department may conduct an audit of the loan
 193 | project upon completion, or may require that a separate project
 194 | audit, prepared by an independent certified public accountant,
 195 | be submitted.

196 | (12) The department may require reasonable service fees on
 197 | loans made to safe neighborhood improvement districts to ensure
 198 | that the Safe Neighborhood Improvement District Revolving Loan
 199 | Trust Fund will be operated in perpetuity and to implement the
 200 | purposes authorized under this section. Service fees shall not

201 be less than 2 percent nor greater than 4 percent of the loan
202 amount exclusive of the service fee. Service fee revenues shall
203 be deposited into the department's Grants and Donations Trust
204 Fund. The fee revenues, and interest earnings thereon, shall be
205 used exclusively to carry out the purposes of this section.

206 (13) The Safe Neighborhood Improvement District Revolving
207 Loan Trust Fund shall be used exclusively to carry out the
208 purposes of this section. Any funds that are not needed on an
209 immediate basis for financial assistance shall be invested
210 pursuant to s. 215.49. The principal and interest of all loans
211 repaid and investment earnings thereon shall be deposited into
212 the fund.

213 (14) (a) If a safe neighborhood improvement district
214 defaults under the terms of its loan agreement, the department
215 shall so certify to the Chief Financial Officer who shall
216 forward the amount delinquent to the department from any
217 unobligated funds due to the safe neighborhood improvement
218 district under any revenue-sharing or tax-sharing fund
219 established by the state, except as otherwise provided by the
220 State Constitution. Certification of delinquency shall not limit
221 the department from pursuing other remedies available for
222 default on a loan, including accelerating loan repayments,
223 eliminating all or part of the interest rate subsidy on the
224 loan, and court appointment of a receiver to manage the safe
225 neighborhood improvement district.

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226 (b) The department may impose a penalty for delinquent
227 loan payments in the amount of 6 percent of the amount due, in
228 addition to charging the cost to handle and process the debt.
229 Penalty interest shall accrue on any amount due and payable
230 beginning on the 30th day following the date upon which payment
231 is due.

232 (15) The department may terminate or rescind a financial
233 assistance agreement if the recipient fails to comply with the
234 terms and conditions of the agreement.

235 Section 2. This act shall take effect upon becoming a law.