

By Senator Simmons

9-01517-18

20181814__

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 legislative purpose; providing
6 definitions; authorizing the Department of Legal
7 Affairs to provide loans for specified projects within
8 safe neighborhood improvement districts; authorizing a
9 safe neighborhood improvement district to borrow funds
10 made available under the program and pledge revenues
11 to repay such funds; specifying the procedures by
12 which the department is to administer and manage the
13 loans; specifying the term of such loans; authorizing
14 the department to provide financial assistance to
15 small safe neighborhood improvement districts;
16 authorizing the department to adopt rules related to
17 the loan program; requiring the department to prepare
18 an annual report and submit it to specified committees
19 in the 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 and
26 published; specifying audit procedures once a loan
27 project is completed; authorizing the department to
28 charge reasonable service fees on loans to ensure the
29 Safe Neighborhood Improvement District Revolving Loan

9-01517-18

20181814__

30 Trust Fund will be operated in perpetuity; specifying
31 fee 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:

41
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 obligations
55 of indebtedness issued by the department under this section.

56 (b) "Neighborhood improvements" means all facilities,
57 including land, water, utilities, and roads, necessary for
58 providing critical infrastructure to implement the crime

9-01517-18

20181814__

59 prevention plans of a safe neighborhood improvement district.

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

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

73 (b) If an insufficient number of the projects for which
74 funds are reserved under this subsection have been submitted to
75 the department at the time a funding priority list is adopted,
76 the reservation of these funds no longer applies. The department
77 may award the unreserved funds as otherwise provided in this
78 section.

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

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

87 (b) The department shall establish by rule the criteria for

9-01517-18

20181814__

88 determining whether a safe neighborhood improvement district
89 serves a financially disadvantaged community. Such criteria
90 shall be based on the median household income of the service
91 population or other reliably documented measures of
92 disadvantaged status.

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

98 (7) The department may adopt rules to:

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

102 (b) Establish the requirements for the award and the
103 repayment of financial assistance.

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

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

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

9-01517-18

20181814__

117 Representatives.

118 (9) Before being approved for a loan, the safe neighborhood
119 improvement district must, at a minimum:

120 (a) Provide a repayment schedule.

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

123 (c) Submit plans and specifications, biddable contract
124 documents, or other documentation of appropriate procurement of
125 goods and services.

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

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

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

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

142 (b) Within 45 days after the date the city or county
143 commission enacts an ordinance calling a referendum, the city
144 clerk or the supervisor of elections, as appropriate, shall
145 compile a list of the names and last known addresses of the

9-01517-18

20181814__

146 electors within the safe neighborhood improvement district from
 147 the list of registered voters of the municipality or county, as
 148 appropriate, as of the last day of the preceding month, which
 149 shall be the registration list for the referendum. A resident of
 150 the district whose name does not appear on the registration list
 151 may register to vote in the referendum as otherwise provided by
 152 law.

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

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

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

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

171 2. The following statement:

172 "Do you favor authorizing the Safe Neighborhood
 173 Improvement District to use revolving loan funds in the amount
 174 of \$.....to finance capital projects that are estimated

9-01517-18

20181814__

175 to cost \$..... as provided by section 163.5161, Florida
 176 Statutes?

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

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

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

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

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

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

197 (12) The department may require reasonable service fees on
 198 loans made to safe neighborhood improvement districts to ensure
 199 that the Safe Neighborhood Improvement District Revolving Loan
 200 Trust Fund will be operated in perpetuity and to implement the
 201 purposes authorized under this section. Service fees may not be
 202 less than 2 percent nor greater than 4 percent of the loan
 203 amount exclusive of the service fee. Service fee revenues shall

9-01517-18

20181814__

204 be deposited into the department's Grants and Donations Trust
205 Fund. The fee revenues, and interest earnings thereon, shall be
206 used exclusively to carry out the purposes of this section.

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

213 (14) (a) If a safe neighborhood improvement district
214 defaults under the terms of its loan agreement, the department
215 must 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 may 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 requesting a court appoint a receiver to manage the
225 safe neighborhood improvement district.

226 (b) The department may impose a penalty for delinquent loan
227 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

9-01517-18

20181814__

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.