

1 A bill to be entitled
2 An act relating to safe neighborhood improvement
3 districts; amending s. 163.511, F.S.; increasing the
4 maximum number of directors allowed for boards of
5 special neighborhood improvement districts; deleting a
6 provision requiring directors to serve for 3 years;
7 requiring local planning ordinances to specify the
8 number of directors and to provide for staggered
9 terms; deleting a provision relating to term lengths
10 for initial director appointments; creating s.
11 163.5161, F.S.; creating the Safe Neighborhood
12 Improvement District Revolving Loan Program; providing
13 legislative purpose; authorizing the Department of
14 Legal Affairs to provide loans for specified projects
15 within safe neighborhood improvement districts;
16 authorizing a safe neighborhood improvement district
17 to borrow certain funds and pledge certain revenues or
18 other security for repayment; specifying procedures
19 for administration and management of loans; specifying
20 loan terms; authorizing the department to provide
21 financial assistance to certain safe neighborhood
22 improvement districts; limiting the loan amount;
23 authorizing the department to adopt rules related to
24 the loan program; requiring the department to prepare
25 an annual report and submit it to specified

26 legislative committees; requiring safe neighborhood
27 improvement districts to submit certain items to the
28 department before loan approval; requiring a
29 referendum for the use of revolving loan funds;
30 specifying items to be included in the referendum;
31 requiring notice of the referendum; specifying audit
32 procedures; authorizing the department to charge
33 reasonable service fees on loans for certain purposes;
34 specifying fee amounts; restricting uses of the trust
35 fund; specifying loan default procedures; authorizing
36 the department to charge penalties for delinquent loan
37 payments; authorizing the department to terminate or
38 rescind a financial assistance agreement under certain
39 conditions; providing an effective date.

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

42
43 Section 1. Paragraph (f) of subsection (1) and subsections
44 (7) and (8) of section 163.511, Florida Statutes, are amended to
45 read:

46 163.511 Special neighborhood improvement districts;
47 creation; referendum; board of directors; duration; extension.—

48 (1) After a local planning ordinance has been adopted
49 authorizing the creation of special neighborhood improvement
50 districts, the governing body of a municipality or county may

51 declare the need for and create special residential or business
52 neighborhood improvement districts by the enactment of a
53 separate ordinance for each district, which ordinance:

54 (f) Provides for the appointment of a three-, five-, or
55 seven-member ~~3-member~~ board of directors for the district.

56 (7) The business and affairs of a special neighborhood
57 improvement district shall be conducted and administered by a
58 board of three, five, or seven directors who must ~~shall~~ be
59 landowners in ~~residents of~~ the proposed area and who are subject
60 to ad valorem taxation in the district. Upon their appointment
61 and qualification and in January of each year, the directors
62 shall organize by electing from their number a chair and a
63 secretary, and may also employ staff and legal representatives
64 as deemed appropriate, who shall serve at the pleasure of the
65 board and may receive such compensation as shall be fixed by the
66 board. The secretary shall keep a record of the proceedings of
67 the district and shall be custodian of all books and records of
68 the district. The directors shall not receive any compensation
69 for their services, nor may they be employed by the district.

70 (8) Within 30 days after ~~of~~ the approval of the creation
71 of a special neighborhood improvement district, if the district
72 is in a municipality, a majority of the governing body of the
73 municipality, or if the district is in the unincorporated area
74 of the county, a majority of the county commission, shall
75 appoint the ~~three~~ directors provided for herein, the number of

76 | which must be specified in the local planning ordinance, which
77 | must also provide for staggered terms of 3 years. The initial
78 | appointments shall be as follows: one for a 1-year term, one for
79 | a 2-year term, and one for a 3-year term. Each director shall
80 | hold office until his or her successor is appointed and
81 | qualified unless the director ceases to be qualified to act as a
82 | director or is removed from office. Vacancies on the board shall
83 | be filled for the unexpired portion of a term in the same manner
84 | as the initial appointments were made.

85 | Section 2. Section 163.5161, Florida Statutes, is created
86 | to read:

87 | 163.5161 Safe Neighborhood Improvement District Revolving
88 | Loan Program; use; rules.—

89 | (1) The purpose of this section is to help implement the
90 | legislative public policy of guiding the coordinated, balanced,
91 | and harmonious development of safe neighborhood improvement
92 | districts. This is accomplished by ensuring such districts have
93 | adequate finances to plan and increase crime prevention through
94 | environmental design, environmental security, or defensible
95 | space techniques, or through community policing innovations.

96 | (2) The Department of Legal Affairs may provide loan
97 | guarantees, purchase loan insurance, and refinance local debt
98 | through the issuance of new loans for projects that are in the
99 | plans of a safe neighborhood improvement district and that have
100 | been approved by the department. A safe neighborhood improvement

101 district may borrow funds made available pursuant to this
102 section and may pledge revenues or other adequate security
103 available to the district to repay any funds borrowed.

104 (a) The department shall administer loans so that 15
105 percent of the amounts credited to the Safe Neighborhood
106 Improvement District Revolving Loan Trust Fund in any fiscal
107 year is reserved for safe neighborhood improvement districts
108 that serve financially disadvantaged communities, as determined
109 by the department.

110 (b) If an insufficient number of the projects for which
111 funds are reserved under this subsection have been submitted to
112 the department at the time a priority system for loans is
113 established, the reservation of these funds no longer applies.
114 The department may award the unreserved funds as otherwise
115 provided in this section.

116 (3) (a) The department may provide financial assistance to
117 safe neighborhood improvement districts that serve financially
118 disadvantaged communities, as determined by the department,
119 including providing forgiveness of the loan principal.

120 (b) The department shall establish by rule the criteria
121 for determining whether a safe neighborhood improvement district
122 serves a financially disadvantaged community. Such criteria
123 shall be based on the median household income of reliably
124 documented measures of disadvantaged status.

125 (4) In order to ensure that public funds are managed in an

126 equitable, prudent, and cost-effective manner, the total amount
127 of funds loaned to any safe neighborhood improvement district
128 during any fiscal year may not exceed 25 percent of the total
129 funds available for providing loans during that year.

130 (5) The department may adopt rules to:

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

134 (b) Establish requirements for the award and repayment of
135 financial assistance or loans.

136 (c) Require evidence of credit worthiness and adequate
137 security, including an identification of revenues to be pledged
138 and documentation of the sufficiency of revenues for loan
139 repayment and pledged revenue coverage, to ensure that each loan
140 recipient can meet its loan repayment requirements.

141 (d) Require each project receiving financial assistance to
142 be cost-effective, environmentally sound, implementable, and
143 self-supporting.

144 (6) The department shall prepare a report at the end of
145 each fiscal year that details the financial assistance provided
146 under this section, service fees collected, interest earned, and
147 loans outstanding. The report shall be provided to the
148 appropriations committees in the Senate and the House of
149 Representatives.

150 (7) Before being approved for a loan, the safe

- 151 neighborhood improvement district must, at a minimum:
- 152 (a) Provide a repayment schedule.
- 153 (b) Submit evidence that the project proposed for
154 financial assistance can be permitted or implemented.
- 155 (c) Submit plans and specifications, biddable contract
156 documents, or other documentation of appropriate procurement of
157 goods and services.
- 158 (d) Provide assurance that records will be kept using
159 generally accepted accounting principles and that the department
160 and the Auditor General will have access to all records
161 pertaining to the loan.
- 162 (e) Provide assurance that the goods and services funded
163 will be properly operated and maintained.
- 164 (8) A safe neighborhood improvement district may not
165 receive a revolving loan under this section unless the local
166 government approves a resolution that provides for a referendum,
167 and the qualified voters of the district have approved the use
168 of revolving loans. The referendum must include the estimated
169 cost of the capital projects that are anticipated to be funded
170 by the revolving loan funds and the amount of the loan.
- 171 (a) The referendum to approve the loan funds shall be by
172 mail ballot.
- 173 (b) Within 45 days after the date on which the city or
174 county commission enacts an ordinance calling a referendum, the
175 city clerk or the supervisor of elections, as appropriate, shall

176 compile a list of the names and last known addresses of the
177 electors within the safe neighborhood improvement district from
178 the list of qualified voters of the municipality or county, as
179 appropriate, as of the last day of the preceding month, which
180 shall be the registration list for the referendum. A resident of
181 the district whose name does not appear on the registration list
182 may register to vote in the referendum as otherwise provided by
183 law.

184 (c) Within 45 days after compilation of the registration
185 list, the city clerk or the supervisor of elections, as
186 appropriate, shall notify each qualified elector of the
187 provisions of the resolution and the date of the upcoming
188 referendum. Notification shall be by first-class mail and a one-
189 time publication in a newspaper of general circulation in the
190 municipality or county, as appropriate, in which the safe
191 neighborhood improvement district is located.

192 (d) The registration list must remain open for 75 days
193 after the date on which the notices were mailed to the electors
194 as provided in paragraph (c).

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

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

201 loan.

202 2. The following statement:

203 "Do you favor authorizing the Safe Neighborhood
 204 Improvement District to use revolving loan funds in the amount
 205 of \$.....to finance capital projects that are estimated
 206 to cost \$..... as provided by section 163.5161, Florida
 207 Statutes?

208
 209Yes, I favor authorizing the use of revolving loan
 210 funds for district purposes.

211No, I am opposed to authorizing the use of revolving
 212 loan funds for district purposes."

213 (f) Ballots must be returned by mail or by personal
 214 delivery.

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

220 (h) The use of revolving loan funds is deemed to have been
 221 approved only upon the affirmative vote of a majority of the
 222 qualified voters in the district voting on the issue.

223 (9) The department may conduct an audit of the loan
 224 program upon completion, or may require that a separate program
 225 audit, prepared by an independent certified public accountant,

226 be submitted.

227 (10) The department may require reasonable service fees on
228 loans made to safe neighborhood improvement districts to ensure
229 that the Safe Neighborhood Improvement District Revolving Loan
230 Trust Fund will be operated in perpetuity and to implement the
231 purposes authorized under this section. Service fees may not be
232 less than 2 percent nor greater than 4 percent of the loan
233 amount exclusive of the service fee. Service fee revenues shall
234 be deposited into the department's Grants and Donations Trust
235 Fund. The service fee revenues, and interest earnings thereon,
236 shall be used exclusively to carry out the purposes of this
237 section.

238 (11) The Safe Neighborhood Improvement District Revolving
239 Loan Trust Fund shall be used exclusively to carry out the
240 purposes of this section. Any funds that are not needed
241 immediately for financial assistance shall be invested pursuant
242 to s. 215.49. The principal and interest of all loans repaid and
243 investment earnings thereon shall be deposited into the fund.

244 (12) (a) If a safe neighborhood improvement district
245 defaults under the terms of its loan agreement, the department
246 must so certify to the Chief Financial Officer, who shall
247 forward the amount delinquent to the department from any
248 unobligated funds due to the safe neighborhood improvement
249 district under any revenue-sharing or tax-sharing fund
250 established by the state, except as otherwise provided by the

251 State Constitution. Certification of delinquency may not limit
252 the department from pursuing other remedies available for
253 default on a loan, including accelerating loan repayments,
254 eliminating all or part of the interest rate subsidy on the
255 loan, and requesting a court appoint a receiver to manage the
256 safe neighborhood improvement district.

257 (b) The department may impose a penalty for delinquent
258 loan payments in the amount of 6 percent of the amount due, in
259 addition to charging the cost to handle and process the debt.
260 Penalty interest shall accrue on any amount due and payable
261 beginning on the 30th day following the date upon which payment
262 is due.

263 (13) The department may terminate or rescind a financial
264 assistance agreement if the safe neighborhood improvement
265 district fails to comply with the terms and conditions of the
266 loan agreement.

267 Section 3. This act shall take effect upon becoming a law.