

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1374

INTRODUCER: Senator Farmer

SUBJECT: Small Business Website Development Grant Program

DATE: March 19, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Reeve	McKay	CM	Pre-meeting
2.			ATD	
3.			AP	

I. Summary:

SB 1374 creates the Small Business Website Development Grant Program (grant program), to be administered by the Department of Economic Opportunity. A small business located in Florida that does not have a website may apply for a one-time grant of up to \$2,500 to be used for the development of a website.

The grant program created by the bill is subject to legislative appropriation.

The bill takes effect July 1, 2021.

II. Present Situation:

According to the Small Business Development Council, Florida's more than 2.5 million small businesses employ nearly half of the state's private sector employees. Of the small businesses with employees, 88 percent are small businesses with fewer than 20 employees;¹ most of these businesses are in technical services, construction, retail trade, and healthcare or social assistance.² Surveys suggest that while the majority of shoppers visit a website before going to a physical store to make a purchase, up to 45 percent of small businesses nationwide do not have a business website.³

¹ Florida Small Business Development Center, *State of Small Business Report: Florida (2020)*, available at https://floridasbdc.org/Reports/2020-State-of-Small-Business/State_of_Small_Business_Florida_2020_FINAL_web.pdf (last visited Mar. 19, 2021).

² U.S. Small Business Administration, *2020 Small Business Profile*, available at <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04143012/2020-Small-Business-Economic-Profile-FL.pdf> (last visited Mar. 19, 2021).

³ CNBC, *Tech Help Wanted: About Half of Small Businesses Don't Have a Website (June 14, 2017)*, available at <https://www.cnbc.com/2017/06/14/tech-help-wanted-about-half-of-small-businesses-dont-have-a-website.html> (last visited Mar. 19, 2021).

III. Effect of Proposed Changes:

The bill creates s. 288.126, F.S., the Small Business Website Development Grant Program. The grant program is intended to support Florida's economy and stimulate economic growth by assisting small businesses without a website in the development of a website.

Small businesses in the state that do not have website may apply to the DEO for a one-time grant of up to \$2,500. Grants must be used for the development of a website, including costs associated with website development, website maintenance fees, website development education, and other related costs.

The bill defines a "small business" as a business with 25 or fewer full-time equivalent employees.

The DEO is granted rulemaking authority to administer the grant program.

The bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

The state government of Florida is divided into the legislative, executive and judicial branches. Pursuant to Article II, s. 3 of the State Constitution, "[n]o person belonging to one branch shall exercise any powers appertaining to either of the other branches unless expressly provided herein." Two fundamental prohibitions are contained in the separation of powers doctrine in Florida. The first is that no branch may encroach upon the powers of the other; the second is that no branch may delegate to another branch its constitutionally assigned power.⁴ Under the nondelegation doctrine, the Legislature "may not delegate the power to enact a law or the right to exercise unrestricted discretion in

⁴ *Chiles v. Children A, B, C, D, E & F*, 589 So.2d 260, 266 (Fla.1991)

applying the law.”⁵ The Legislature must promulgate standards sufficient to guide administrative agencies in the performance of their duties.⁶

The bill specifies no standards the DEO must use in determining which applicants should receive grant funds, or how much funding each successful grant applicant should receive.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Grant recipients will incur benefits in the amount of their grant awards.

C. Government Sector Impact:

Indeterminate. The grant program created by the bill is subject to legislative appropriation. The DEO may incur costs associated with administering the grant program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 288.126 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

⁵ *Sloban v. Florida Board of Pharmacy*, 982 So.2d 26, 29 (Fla. 1st DCA 2008) (citing *Sims v. State*, 754 So.2d 657, 668 (2000)).

⁶ *Florida Dep’t. of State, Div. of Elections v. Martin*, 916 So.2d 763 (Fla. 2005).