

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: CS/SB 324

INTRODUCER: Commerce and Tourism Committee, Senators Smith and Arrington

SUBJECT: Construction Disruption Assistance

DATE: March 31, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Fav/CS
2.			ATD	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 324 establishes the Construction Impact Relief Revolving Loan Program (program) within the Department of Commerce (department). Under the program, the department must provide low-interest loans of up to \$100,000 for operational costs of eligible small businesses during construction disruptions.

The department must develop a public awareness and marketing campaign to promote the program and encourage customer support for small businesses adversely impacted by construction activities.

Applicants must provide certain documentation in order to obtain financial assistance from the department. Applicants must also consult with the Florida Small Business Development Center Network to confirm the applicant's eligibility for the program. The bill prohibits an applicant from participating in the program if they are eligible for other loan programs.

The department must establish a hotline to provide information about the program to small business owners.

The department must submit an annual report by November 1 to the Governor and the Legislature summarizing the program's performance, including the total number of small businesses and residents served, total funds disbursed, and program outcomes.

The bill requires the department to adopt rules by October 1, 2025, to implement the program.

The bill may have an indeterminate negative fiscal impact on the department. *See Section V: Fiscal Impact Statement.*

The bill takes effect July 1, 2025.

II. Present Situation:

Infrastructure Projects

Numerous agencies are the primary funders of infrastructure projects, including, but not limited to, the following:

- Department of Commerce (department) Construction Projects
 - **Florida Job Growth Fund** - an economic development program designed to promote public infrastructure and workforce training across the state. The fund is prohibited from being used for the exclusive benefit of any single company, corporation, or business entity. Proposals are reviewed by the department and chosen by the Governor to meet the demand for workforce or infrastructure needs.¹
 - **Rural Infrastructure Fund** - facilitates the planning, preparation, and financing of infrastructure projects in rural communities, including, but not limited to, roads and facilities related to stormwater systems.²
- Department of Environmental Protection
 - **Clean Water State Revolving Fund** – provides loans to construct water pollution control facilities.³
- Department of Transportation
 - **State Transportation Trust Fund** - provides funding for certain transportation systems and projects throughout the state.⁴

The Florida Small Business Development Center Network

Established in 2008, the Florida Small Business Development Center Network (SBDC) is the principal business assistance organization for small businesses in the state. The purpose of the network is to serve emerging and established for-profit, privately held businesses that maintain a place of business in the state.⁵ The network is funded in part by the U.S. Small Business Administration, Department of Defense, State of Florida through appropriations, and other private and public partners with the University of West Florida serving as the network's designated lead host institution.⁶

¹ Section 288.101, F.S.

² Section 288.0655, F.S.

³ *See* s. 403.1835, F.S.

⁴ Section 206.46(1), F.S.

⁵ Ch. 2008-149, Laws of Fla., codified as s. 288.001, F.S.

⁶ America's SBDC Florida, *About Funding*, available at <https://floridasbdc.org/about/> (last visited March 31, 2025).

III. Effect of Proposed Changes:

The bill creates ss. 288.9991-288.9997, F.S., known as the “Construction Disruption Assistance Act.”

The bill creates s. 288.9995, F.S., to establish the Construction Impact Relief Revolving Loan Program (program). Under the program, the department must provide low-interest loans of up to \$100,000, with interest not to exceed the federal funds rate at the time the loan is issued, for operational costs of eligible small businesses during construction disruptions.

The department must also develop a public awareness and marketing campaign, in partnership with local chambers of commerce and other business organizations, to promote the program and encourage customer support for small businesses adversely impacted by construction activities. Marketing campaign efforts must include, but are not limited to:

- Digital advertising campaigns; and
- Signage and outreach.

Applications must be submitted to the department and include documentation of a demonstrable loss, as well as a plan for utilizing the funds. Proof of demonstrable loss must include, but is not limited to, the following:

- Documentation of reduction in revenue from the start date of construction activities to the week before an application is submitted to the department. Such proof may be made by comparing the applicant’s average weekly or monthly revenue of the year before the construction activities began and the applicant’s current weekly or monthly revenue.
- Photo or video evidence of the obstruction, which may include, but is not limited to, restricting parking or primary entry access or blocking visibility of the applicant from all directions of traffic along the road and sidewalks during each phase of construction.

The applicant must consult with the SBDC to confirm eligibility for the program. The applicant is prohibited from participating in the program if they are eligible for another loan program.

The bill creates s. 288.9996, F.S., requiring the department to establish a hotline to provide information about the program to small business owners.

The bill creates s. 288.9997, F.S., requiring the department to submit a report annually by November 1 to the Governor and Legislature summarizing the performance of the program, including the total number of small businesses and residents served, total funds disbursed, and program outcomes.

The bill defines the following terms:

- Construction zone – the immediate area where construction activities directly restrict physical or visual access to a small business, including partial or complete obstruction of entryways, parking, or signage visibility.
- Demonstrable loss – a verifiable reduction in revenue, property damage, or increased operational costs directly attributed to state or local government construction activities.

- Eligible small business – a business with 50 or fewer employees whose primary access points are obstructed by state or local government construction activities directly adjacent to or in front of the business, as determined by the department.

The bill requires the department to adopt rules by October 1, 2025, to implement the act.

The bill takes effect July 1, 2025.

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:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Eligible small businesses that can show a demonstrable loss of revenue due to construction impacting their establishment may be able to receive financial assistance from the department.

C. Government Sector Impact:

The bill may have a significant fiscal impact on the department. The department estimates that an additional 4-5 full-time employees would be needed to administer the program.

The department estimates the bill could cost the department over \$25 million for legal costs such as litigation and defense of rule implementation, in-house counsel review of applications, ongoing legal advice, and litigation costs for defending department decisions.⁷

The bill also requires the department to establish a hotline to provide information about the program to small business owners, which “would impose a significant financial and operational burden on the department.”⁸

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill may create a conflict of interest for the department, which is a primary funder of certain infrastructure projects. The bill requires the department to distribute grant funding or loans to businesses impacted by those same infrastructure projects.

VIII. Statutes Affected:

This bill creates sections 288.9991, 288.9992, 288.9993, 288.9994, 288.9995, 288.9996, and 288.9997 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Commerce and Tourism on March 31, 2025.

The CS:

- Changes the name of the Construction Impact Relief Program to the Construction Impact Revolving Loan Program (program) and removes the requirement that the Department of Commerce (department) establish the program through the Florida Growth Fund.
- Removes the option for the department to provide grants to eligible small businesses within construction zones.
- Clarifies that the department may provide certain loans with interest not to exceed the federal funds rate at the time the loan is issued for eligible small business operational costs.
- Removes the requirement that the department, in concert with local governments, include local event sponsorships and promotions in the marketing campaign to promote the program.

⁷ Department of Commerce analysis for SB 324. On file with Senate Commerce and Tourism Committee.

⁸ *Id.*

- Requires eligible small business applicants to provide certain documentation to obtain financial assistance from the department, and to consult with the Florida Small Business Development Center Network.
- Provides that an applicant is not eligible to participate in the program if the applicant is eligible for other loan programs.

B. Amendments:

None.

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