

CS/HB 1551 — Black Business Investment Board, Inc.

by Economic Development Policy and Rep. Carroll (CS/SB 1720 by Commerce Committee; Senators Smith, Lynn, and Crist)

In 1985, the Legislature created the Florida Black Business Investment Board (FBBIB) as a non-profit corporation to support the creation and expansion of black-owned enterprises in Florida. In 2007, the Black Business Loan Program was established in the Governor's Office of Tourism, Trade, and Economic Development (OTTED) to disburse annually appropriated funds to eligible recipients who would provide loans and loan guarantees to, and invest in, qualified businesses. The FBBIB was assigned specific responsibilities in the administration of the program, to include receiving the grant applications and making recommendations for certification of grant recipients.

The bill transfers most of the FBBIB's responsibilities relating to the administration of the Black Business Loan Program to OTTED and reduces the time-frame for certifying and distributing the annual grants.

The bill also reduces the eligibility requirements of the "existing recipients" (who are the eight regional Black Business Investment Corporations, or BBICs, and the Florida Black Business Support Corporation, doing business as Access Florida) for annual grants from the Black Business Loan Program. Current law requires recipients:

- Be a corporation registered in the state;
- Demonstrate that its board of directors includes citizens of the state experienced in the development of black business enterprises;
- Demonstrate that the recipient has a business plan that allows the recipient to operate in a manner consistent with the Florida Black Business Investment Act [ss. 288.707-288.714, F.S.] and the rules of the OTTED;
- Demonstrate that the recipient has the technical skills to analyze and evaluate applications by black business enterprises for loans, loan guarantees, or investments;
- Demonstrate that the recipient has established viable partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks;
- Demonstrate that the recipient can provide a private match equal to 20 percent of the amount of funds provided by OTTED; and
- Agree to maintain the recipient's books and records relating to funds received by OTTED according to generally accepted accounting principles and in accordance with the requirements of the Florida Single Audit Act [s. 215.97(7), F.S.] and to make those books and records available to OTTED for inspection upon reasonable notice.

All of these conditions will be required of a "new recipient" of the Black Business Investment Loan Program.

In lieu of these eligibility requirements, "existing recipients" will be required to comply with the first and last of these conditions, and:

“Annually submit to the office a financial audit performed by an independent certified public account for the most recently completed fiscal year, which audit does not reveal any material weaknesses or instances of material noncompliance.”

Subsection (8)(c) is also amended to increase the portion of Black Business Loan Program grants which may be used for technical support from 9 to 12 percent, and administration from 7 to 10 percent.

The bill also authorizes the FBBIB to elect a chair and vice-chair, and authorizes the board to remove the chair by two-thirds vote of the board. Current law authorizes the Governor to appoint the chair, who serves at the pleasure of the Governor. In addition, the number of board appointments by the Governor is reduced from five to four, and the designation of the chair of the Florida Development Finance Corporation as a board member is deleted. Instead, the FBBIB is authorized to select two at-large members. The vice-chair of Enterprise Florida, Inc., is retained, but as an ex officio, nonvoting member.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 38-0; House 108-0