

**CS/SB 328** by **RI, Latvala**; (Similar to CS/H 0039) Public Accountancy

731830 A S RCS AP, Latvala Delete L.76: 03/07 03:18 PM

**SB 224** by **Detert**; Florida Small Business Development Center Network

293958 PCS S AP 02/14 04:27 PM

959328 PCS:A S RCS AP, Richter Delete L.89: 03/07 03:18 PM

870732 PCS:A S RCS AP, Gardiner Delete L.150 - 156: 03/07 03:18 PM

**CS/SB 62** by **TR, Hays (CO-INTRODUCERS) Abruzzo, Simpson, Evers, Lee**; (Similar to CS/H 0071) Low-speed Vehicles

890780 A S RCS AP, Hays Delete L.195: 03/07 03:18 PM

**SB 352** by **Hays**; (Identical to H 0209) Lake-Sumter Community College

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**APPROPRIATIONS**  
**Senator Negrón, Chair**  
**Senator Benacquisto, Vice Chair**

**MEETING DATE:** Thursday, March 7, 2013  
**TIME:** 2:00 —4:00 p.m.  
**PLACE:** Pat Thomas Committee Room, 412 Knott Building

**MEMBERS:** Senator Negrón, Chair; Senator Benacquisto, Vice Chair; Senators Bean, Bradley, Galvano, Gardiner, Grimsley, Hays, Hukill, Joyner, Latvala, Lee, Margolis, Montford, Richter, Ring, Smith, Sobel, and Thrasher

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>CS/SB 328</b> Regulated Industries / Latvala (Similar H 39)	Public Accountancy; Revising provisions for the distribution of scholarships under the Certified Public Accountant Education Minority Assistance Program; revising the annual maximum expenditures and frequency of distribution of moneys for the scholarships; requiring the Board of Accountancy to adopt rules for peer review programs; authorizing the board to establish a peer review oversight committee, etc.  RI 02/06/2013 Fav/CS AP 02/21/2013 Temporarily Postponed AP 03/07/2013 Fav/CS	Fav/CS Yeas 17 Nays 0

**A proposed committee substitute** for the following bill (SB 224) is available:

2	<b>SB 224</b> Detert	Florida Small Business Development Center Network; Providing that the Florida Small Business Development Center Network's statewide director is subject to the approval of the Board of Governors of the State University System; providing that the Board of Governors, the Department of Economic Opportunity, and the network's statewide advisory board are jointly responsible for establishing certain policies and goals; requiring the statewide director to work with regional small business development centers to establish and approve budgets; requiring the statewide director to coordinate with the Board of Governors to establish an innovative incentive program, etc.  CM 01/22/2013 Favorable ATD 02/12/2013 Fav/CS AP 03/07/2013 Fav/CS	Fav/CS Yeas 18 Nays 0
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With subcommittee recommendation - Transportation, Tourism, and Economic Development

**COMMITTEE MEETING EXPANDED AGENDA**

Appropriations

Thursday, March 7, 2013, 2:00 —4:00 p.m.

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	<b>CS/SB 62</b> Transportation / Hays (Similar H 71)	Low-speed Vehicles; Authorizing the conversion of a vehicle titled or branded and registered as a low-speed vehicle to a golf cart; providing procedures; requiring an affidavit; requiring the Department of Highway Safety and Motor Vehicles to issue a decal; providing specifications for the decal, etc.  TR 01/17/2013 Fav/CS CM 02/05/2013 Favorable ATD 02/20/2013 Favorable AP 03/07/2013 Fav/CS	Fav/CS Yeas 18 Nays 0
With subcommittee recommendation - Transportation, Tourism, and Economic Development			
4	<b>SB 352</b> Hays (Identical H 209)	Lake-Sumter Community College; Renaming Lake-Sumter Community College as "Lake-Sumter State College," etc.  ED 02/19/2013 Favorable AP 03/07/2013 Favorable	Favorable Yeas 18 Nays 0
Other Related Meeting Documents			

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**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 Appropriations

**BILL:** CS/CS/SB 328

**INTRODUCER:** Appropriations Committee, Regulated Industries Committee, and Senator Latvala

**SUBJECT:** Public Accountancy

**DATE:** March 11, 2013      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>Imhof</u>	<u>RI</u>	<b>Fav/CS</b>
2.	<u>Davis</u>	<u>Hansen</u>	<u>AP</u>	<b>Fav/CS</b>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**Please see Section VIII. for Additional Information:**

- |                              |                                     |   |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

CS/CS/SB 328 increases the frequency of disbursements to twice per year for scholarships funded by a portion of license fees set by the Board of Accountancy and collected by the Department of Business and Professional Regulation under the Certified Public Accountant Education Minority Assistance Program. Currently, scholarship disbursements are made once per year. Additionally, the maximum amount the department is authorized to spend for scholarships is increased from \$100,000 to \$200,000 per year.

There is no fiscal impact for the 2013-2014 fiscal year related to agency workload, and there is no increased appropriation for the Certified Public Accountant Education Minority Assistance Program.

The bill also requires CPA firms engaged in the practice of public accounting as defined in s. 473.302(8)(a), F.S., except those who provide only compilation or review services, to be enrolled in a peer review program as a condition of licensure as of January 1, 2015. Peer review is defined in the bill as the study, appraisal or review by one or more independent Certified Public Accountants (CPA) of one or more aspects of the professional work of a licensee engaged in the practice of public accounting.

The Florida Board of Accountancy is required to adopt rules for the minimum standards for peer review programs and the minimum criteria for the peer review organizations that will administer the programs. A peer review oversight committee may be established by the board which includes three to five members licensed under ch. 473, F.S., and whose firms are subject to peer review and have received a “pass” rating on the most recent peer review.

The bill has an effective date of July 1, 2013.

This bill substantially amends sections 473.3065 and 473.311, Florida Statutes.

The bill creates section 473.3125, Florida Statutes.

## **II. Present Situation:**

The Board of Accountancy (board) within the Department of Business and Professional Regulation (department) is the agency charged with regulating the practice of public accountancy.<sup>1</sup> Administrative services for the board are provided by the Division of Certified Public Accounting (division), including, but not limited to, recordkeeping services, examination services, legal services, and investigative services, and those services in ch. 455, F.S., necessary to perform the board’s duties under the chapter. The division’s offices are located in Gainesville.<sup>2</sup>

Section 473.302(4), F.S., defines a “certified public accountant” to mean a person who holds a license to practice public accounting in this state under the authority of ch. 473, F.S.

Section 473.302(8), F.S., defines the “practice of,” “practicing public accountancy,” or “public accounting” to mean:

(a) Offering to perform or performing for the public one or more types of services involving the expression of an opinion on financial statements, the attestation as an expert in accountancy to the reliability or fairness of presentation of financial information, the utilization of any form of opinion or financial statements that provide a level of assurance, the utilization of any form of disclaimer of opinion which conveys an assurance of reliability as to matters not specifically disclaimed, or the expression of an opinion on the reliability of an assertion by one party for the use by a third party;

(b) Offering to perform or performing for the public one or more types of services involving the use of accounting skills, or one or more types of tax, management advisory, or consulting services, by any person who is a certified public accountant who holds an active license, including the

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<sup>1</sup> Section 473.303, F.S.

<sup>2</sup> See s. 20.165(2)(c)2., F.S.

performance of such services by a certified public accountant in the employ of a person or firm; or

(c) Offering to perform or performing for the public one or more types of service involving the preparation of financial statements not included within paragraph (a), by a certified public accountant who holds an active license, a firm of certified public accountants, or a firm in which a certified public accountant has an ownership interest, including the performance of such services in the employ of another person. The board shall adopt rules establishing standards of practice for such reports and financial statements; provided, however, that nothing in this paragraph shall be construed to permit the board to adopt rules that have the result of prohibiting licensees employed by unlicensed firms from preparing financial statements as authorized by this paragraph.

However, these terms [of practice] shall not include services provided by the American Institute of Certified Public Accountants or the Florida Institute of Certified Public Accountants, or any full service association of certified public accounting firms whose plans of administration have been approved by the board, to their members or services performed by these entities in reviewing the services provided to the public by members of these entities.

Section 473.302(5), F.S., defines the term “firm” to mean “any entity that is engaged in the practice of public accounting.”

Section 473.3101(1)(a), F.S., requires that firms must hold a license if the firm:

- Uses the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting; or
- Does not have an office in this state but performs the services described in s. 473.3141(4), F.S.,<sup>3</sup> for a client having its home office in this state, as defined by rule of the board.

### **Education Minority Assistance Program**

The Certified Public Accountant Education Minority Assistance Program (program) for Florida residents was created by enactment of ch. 98-263, L.O.F., codified in s. 473.3065, F.S. It is administered by the board with the assistance of the Certified Public Accountant Education Minority Assistance Advisory Council (council) and provides scholarships to minority persons, as defined in s. 288.703, F.S., who are students enrolled in their fifth year of a board-approved accounting education program at an institution in Florida.

The council consists of five licensed Florida CPAs selected by the board and is required to be diverse and representative of the gender, ethnic, and racial categories set forth in s. 288.703(4), F.S. One member of the board serves as chair of the council, one council

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<sup>3</sup> Section 473.3141, F.S., provides the practice requirements for CPA’s from out-of-state.

member must be a representative of the National Association of Black Accountants, one council member must be a representative of the Cuban American CPA Association, and two council members are selected at large. At least one member of the council must be a woman.<sup>4</sup>

Vacancies on the council must be filled in the manner provided for the selection of the initial member. A member appointed to fill a vacancy of an unexpired term is appointed for the remainder of that term. Three consecutive absences or absences constituting 50 percent or more of the council's meetings within any 12-month period cause the council membership of the member in question to become void, and the position is considered vacant. The members of the council serve without compensation; however, any necessary and actual expenses incurred by a member while engaged in the business of the council are borne by the member or by the organization or agency a member represents, except that the council member who is a member of the board is compensated in accordance with s. 455.207(4), F.S. (\$50 for each day of participation in business involving the board) and s. 112.061, F.S. (per diem and travel expenses).

Scholarships under the program are funded by a portion of existing license fees, as set by the board, not to exceed \$10 per license. The department is currently authorized to spend up to \$100,000 per year for the program but may not allocate overhead charges to it. Scholarship moneys are disbursed annually upon recommendation of the advisory council and approval by the board, based on the adopted eligibility criteria and comparative evaluation of all applicants. Funds in the program account may be invested by the Chief Financial Officer under the same limitations that apply to investment of other state funds, and all interest earned thereon is credited to the program account. According to the department, the program account balance was \$139,754 as of June 30, 2012, the largest balance in the last six years.

Rule Chapter 61H1-38, Florida Administrative Code, contains the rules adopted by the board to administer the program. These rules include the eligibility criteria for receipt of a scholarship, (including financial need, ethnic, gender, or racial minority status pursuant to s. 288.703(4), F.S., and scholastic ability and performance), scholarship application procedures, the amounts of scholarships, the total amount of scholarships that may be provided, the time frame for payments or partial payments, and criteria for how scholarship funds may be expended, the total amount of scholarships that can be made each year, and the minimum balance that must be maintained in the program account. Decisions concerning recipients of scholarship moneys are not agency action for purposes of the Administrative Procedure Act, ch. 120, F.S.

### **Peer Review**

According to the Florida Institute of Certified Public Accountants (FICPA), the American Institute of Certified Public Accountants (AICPA) requires its member firms to undergo a peer review every three years. A peer review is a periodic external review of a firm's quality control system in accounting and auditing and is also known as the AICPA's practice monitoring

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<sup>4</sup> Section 473.3065(6)(a), F.S.

program. Members of the AICPA engaged in the practice of public accounting are required to practice in a firm that is enrolled in an approved practice-monitoring program such as the Peer Review Program. At present, the FICPA administers the AICPA Peer Review Program for firms that are members of the AICPA and for firms that are not members of the AICPA. The program is designed to be educational for public accounting firms and to enhance the quality of their accounting and auditing work. It also allows firms to communicate with their fellow peers about the objectives of the accounting profession.<sup>5</sup>

The State of Florida currently does not require that CPA firms participate in a peer review program as a condition of licensure and does not have a peer review oversight committee or other oversight process for peer review. According to the FICPA, which has over 18,000 members,<sup>6</sup> Florida and Delaware are the only two states that do not require evidence of peer review as a condition of firm license renewal for those firms offering attest services to their clients. Public accounting services as described in s. 473.302(8)(a), F.S., involve offering to perform or performing for the public one or more types of services involving the:

- Expression of an opinion on financial statements;
- Attestation as an expert in accountancy to the reliability or fairness of presentation of financial information;
- Utilization of any form of opinion or financial statements that provide a level of assurance;
- Utilization of any form of disclaimer of opinion which conveys an assurance of reliability as to matters not specifically disclaimed; or
- Expression of an opinion on the reliability of an assertion by one party for the use by a third party.

In 2010, the board unanimously approved the concept of peer review as a requirement for firm license renewal.<sup>7</sup> Further, according to the FICPA, peer review:

- Will help improve the quality of a CPA firm's accounting and auditing practices;
- Is based on the principle that a systemic monitoring and educational process is the most effective way to attain high-quality performance throughout the profession; and
- Will provide reasonable assurance that a CPA firm is complying with professional standards in all material respects.

According to the AICPA website, Section 1002, Paragraph .06 of its Standards for Performing and Reporting on Peer Reviews delineates the following accounting procedures as subject to peer review:

*An accounting and auditing practice* for the purposes of these standards is defined as all engagements covered by Statements on Auditing Standards (SASs); Statements on Standards for Accounting and Review Services (SSARS) (see interpretations); Statements on Standards for Attestation

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<sup>5</sup> <http://www.ficpa.org/Content/Members/PeerReview.aspx> (Last visited February 4, 2013).

<sup>6</sup> <http://www.ficpa.org/Content/AboutJoin/about.aspx> (Last visited February 4, 2013).

<sup>7</sup> See correspondence from David C. Tipton, CPA, Chairman, Florida Board of Accountancy, to the Florida Institute of Certified Public Accountants, dated December 7, 2010, which is on file with the Senate Committee on Regulated Industries.

Engagements (SSAEs); *Government Auditing Standards* (the Yellow Book) issued by the U.S. Government Accountability Office; and audits of non-SEC issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB) (see interpretations).<sup>8</sup>

According to the FICPA:

- Not all CPA firms will be required to have a peer review conducted on their firm. CPA firms that limit their practices to tax or consulting services would not be required to have a peer review, as the requirement only applies to firms that perform attest services, including compilations.
- There will be no impact on CPAs in private industry, education, or government because the requirement applies only to CPAs in public practice (accounting and auditing practices).
- Peer review is not an entirely new requirement for most Florida CPA firms performing attest and compilation services. The American Institute of Certified Public Accountants (AICPA) has had a peer review program for its more than 30,000 members since 1989, and approximately 75 percent of FICPA members that are also AICPA members are required to participate in that program.

In addition, the Government Accounting Office has a peer review requirement for CPA firms that perform audits under government auditing standards.<sup>9</sup>

Furthermore, according to the FICPA, under AICPA standards, a reviewer would be required to meet certain requirements to serve as a reviewer and be approved by an approved administering entity or the AICPA National Peer Review Committee. Those standards require that a reviewer be currently active in the accounting and auditing area and be a partner or manager of a firm that has received a passing grade on its most recent peer review. A peer reviewer also must have current or recent experience for significant or high-risk industry areas in which the peer-reviewed firm performs attest services. Firms may select their own peer reviewer, as long as the reviewer and his or her firm are independent of the reviewed firm and do not provide certain restricted services to the reviewed firm.

### III. Effect of Proposed Changes:

The bill modifies the Certified Public Accountant Education Minority Assistance Program to allow disbursements for approved scholarships twice per year, rather than once per year, and authorizes the Department of Business and Professional Regulation to spend up to \$200,000 per year instead of up to \$100,000 per year, for the program.

Effective January 1, 2015, CPA firms that engage in the practice of public accounting as defined in s. 473.302(8)(a), F.S., with exceptions, are required by the bill to enroll in a peer review program as a condition of licensure. The bill specifically exempts CPA firms that only engage in the practice of providing compilations and reviews, as those terms are defined by the Florida

<sup>8</sup> <http://www.aicpa.org/Research/Standards/PeerReview/DownloadableDocuments/PeerReviewStandards.pdf> (Last visited February 4, 2013).

<sup>9</sup> See Paragraph 3.82b of 2011 Government Auditing Standards (GAGAS 2011) as revised December 23, 2011 at <http://www.gao.gov/yellowbook> (Last visited February 4, 2013).

Board of Accountancy, from having to comply with the peer review requirement. The bill establishes a peer review program defined as the study, appraisal or review by one or more independent CPAs of one or more aspects of the professional work of a licensee engaged in the practice of public accounting.

The bill requires the Florida Board of Accountancy to adopt rules for the minimum standards for peer review programs and the minimum criteria for the peer review organizations that will administer the programs. It is authorized to establish a peer review oversight committee of three to five members licensed under ch. 473, F.S., whose firms are subject to peer review and have received a "pass" rating on the most recent peer review.

Further, the FICPA anticipates that adoption of peer review as a state licensing requirement in Florida will result in the implementation of standards similar to those that are already in place throughout virtually all of the United States.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact

Effective January 1, 2015, all CPA firms engaged in the practice of public accounting pursuant to s. 473.302(8)(a), F.S., except those who provide only compilation or review services, will be required to be enrolled in a peer review program, which will require payment of peer reviewer fees. The FICPA has indicated that the cost of peer review is not fixed, but depends upon the nature, complexity and size of a firm's accounting and auditing practice. The cost of peer review every three years is estimated by the FICPA to range from \$1,790 to \$2,315, depending upon the number of peer review hours required to conduct the review (annualized cost of \$597 to \$772), as calculated below.

**Sample peer review costs for sole practitioner firms**

Sole practitioner firm performing one audit – Administrative fee per year @ \$130 x 3yrs.	\$390
Peer review – reviewer – approximately 8-11 hrs at reviewer rate (say \$175/hr)	<u>\$1,400-\$1,925</u>
Total cost over three years	\$1,790-\$2,315
<b>Annualized cost</b>	<b>\$597-\$772</b>

**C. Government Sector Impact:**

Rules adopted by the board for the Certified Public Accountant Minority Assistance Program will require review and revision to conform to the modification of the frequency of scholarship awards and of the amount available for awarding of scholarships.

Additionally, the board will be required to adopt rules establishing minimum standards for peer review programs and minimum criteria for the board’s approval of one or more organizations that facilitate and administer peer review programs. The board may establish a peer review oversight committee of between three and five public accountants licensed under ch. 473, F.S. whose firms are subject to the biennial license renewal requirements of s. 473.311(2), F.S. and have undergone peer review and received a review rating of “pass” on the most recent review.

According to the department, the bill:

- May require additional resources for the division’s Enforcement Section to handle potential complaints and investigations based upon the failure to comply with the peer review requirement. This impact is indeterminate at this time.
- May increase workload at both the investigative and prosecutorial level for pursuit of disciplinary cases by the department’s General Counsel for failure to comply with the peer review requirement. This impact is indeterminate at this time.

No additional funds are needed to address workload associated with the bill for Fiscal Year 2013-2014. If future workload impacts be realized, the department may request additional resources as part of its legislative budget request.

No appropriation is included in the bill to increase the funding for the Certified Public Accountant Education Minority Assistance Program. The bill authorizes the department to spend up to \$200,000 for the program; however, the 2012-2013 General Appropriations Act provided \$100,000 for the program.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill provides that a member of the peer review oversight committee would have to be a member of a CPA firm that has participated in peer review and has received a rating of “pass” on its most recent peer review. This provision assumes that the board rules will follow the standards and terminology of the AICPA regarding these ratings.<sup>10</sup>

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS/CS by Appropriations on March 7, 2013:**

The committee substitute provides an exception to the peer review enrollment requirement for CPA firms that only conduct compilations and reviews, as those terms are defined by the Board of Accountancy.

**CS by Regulated Industries on February 6, 2013:**

The committee substitute requires that effective January 1, 2015, all CPA firms engaged in the practice of public accounting pursuant to s. 473.302(8)(a), F.S., (i.e. providing certain opinions or attest services) be enrolled in a peer review program. Under the original bill as filed, effective January 1, 2015, renewal of licensure for CPA firms engaged in the practice of public accounting pursuant to s. 473.302(8)(a), F.S., would have required certification by the Board of Accountancy that the firm requesting renewal of licensure was enrolled in a peer review program.

- B. **Amendments:**

None.

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

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<sup>10</sup> The AICPA standards rate a CPA firm as pass, pass with deficiencies, and fail. *See* <http://www.aicpa.org/Research/Standards/PeerReview/DownloadableDocuments/PeerReviewStandards.pdf> (Last visited February 4, 2013).



731830

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/07/2013	.	
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The Committee on Appropriations (Latvala) recommended the following:

**Senate Amendment**

Delete line 76  
and insert:  
public accounting as defined in s. 473.302(8)(a), except for the performance of compilations and reviews as those terms are defined by the board, must be

By the Committee on Regulated Industries; and Senator Latvala

580-01571-13

2013328c1

1 A bill to be entitled  
 2 An act relating to public accountancy; amending s.  
 3 473.3065, F.S.; revising provisions for the  
 4 distribution of scholarships under the Certified  
 5 Public Accountant Education Minority Assistance  
 6 Program; revising the annual maximum expenditures and  
 7 frequency of distribution of moneys for the  
 8 scholarships; amending s. 473.311, F.S.; clarifying  
 9 provisions; creating s. 473.3125, F.S.; providing  
 10 definitions; requiring the Board of Accountancy to  
 11 adopt rules for peer review programs; authorizing the  
 12 board to establish a peer review oversight committee;  
 13 requiring certain licensees to be enrolled in a peer  
 14 review program by a certain date; providing an  
 15 effective date.

16  
 17 Be It Enacted by the Legislature of the State of Florida:

18  
 19 Section 1. Subsection (2) of section 473.3065, Florida  
 20 Statutes, is amended to read:

21 473.3065 Certified Public Accountant Education Minority  
 22 Assistance Program; advisory council.—

23 (2) All moneys used to provide scholarships under the  
 24 program shall be funded by a portion of existing license fees,  
 25 as set by the board, not to exceed \$10 per license. Such moneys  
 26 shall be deposited into the Professional Regulation Trust Fund  
 27 in a separate account maintained for that purpose. The  
 28 department ~~may be authorized to~~ spend up to ~~\$200,000~~ \$100,000  
 29 per year for the program from this program account, but may not

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

580-01571-13

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30 allocate overhead charges to it. Moneys for scholarships shall  
 31 be disbursed twice per year ~~annually~~ upon recommendation of the  
 32 advisory council and approval by the board, based on the adopted  
 33 eligibility criteria and comparative evaluation of all  
 34 applicants. Funds in the program account may be invested by the  
 35 Chief Financial Officer under the same limitations as apply to  
 36 investment of other state funds, and all interest earned thereon  
 37 shall be credited to the program account.

38 Section 2. Section 473.311, Florida Statutes, is amended to  
 39 read:

40 473.311 Renewal of license.—

41 (1) The department shall renew a license issued under s.  
 42 473.308 upon receipt of the renewal application and fee and upon  
 43 certification by the board that the Florida certified public  
 44 accountant has satisfactorily completed the continuing education  
 45 requirements of s. 473.312.

46 (2) The department shall adopt rules establishing a  
 47 procedure for the biennial renewal of licenses issued pursuant  
 48 to this section.

49 Section 3. Section 473.3125, Florida Statutes, is created  
 50 to read:

51 473.3125 Peer review.—

52 (1) As used in this section, the term:

53 (a) "Licensee" means a sole proprietor, partnership,  
 54 corporation, limited liability company, or any other firm  
 55 engaged in the practice of public accounting as defined in s.  
 56 473.302(8)(a) that is required to be licensed under s. 473.3101.

57 (b) "Peer review" means the study, appraisal, or review by  
 58 one or more independent certified public accountants of one or

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

580-01571-13

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59 more aspects of the professional work of a licensee.

60 (2) The board shall adopt rules establishing minimum  
61 standards for peer review programs, including, but not limited  
62 to, standards for administering, performing, and reporting peer  
63 reviews. The board shall also adopt rules establishing minimum  
64 criteria for the board's approval of one or more organizations  
65 that facilitate and administer peer review programs.

66 (3) For the purposes of maintaining oversight of the  
67 license renewal requirements of s. 473.311(2), the board may  
68 establish a peer review oversight committee, which shall be  
69 composed of at least three, but no more than five, members who  
70 are licensed under this chapter and whose firms are subject to  
71 s. 473.311(2) and have received a review rating of "pass" on the  
72 most recent peer review.

73 (4) Effective January 1, 2015, a sole proprietor,  
74 partnership, corporation, limited liability company, or other  
75 firm licensed under s. 473.3101 and engaged in the practice of  
76 public accounting as defined in s. 473.302(8)(a) must be  
77 enrolled in a peer review program.

78 Section 4. This act shall take effect July 1, 2013.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic ACCOUNTANCY

Bill Number 328 (if applicable)

Name DEBORAH CURRY

Amendment Barcode (if applicable)

Job Title CEO - PRESIDENT

Address 325 W. COLLEGE AVE.

Phone 724-2727

Street City State Zip MI, FL 32302

E-mail

Speaking: [X] For [ ] Against [ ] Information

Representing FEA. INSTITUTE OF CPAs

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13  
Meeting Date

Topic PUBLIC ACCOUNTANCY

Bill Number 328  
*(if applicable)*

Name JENNIFER BRADEN

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title CONSULTANT

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Speaking:  For  Against  Information

Representing FLORIDA INSTITUTE OF CERTIFIED PUBLIC  
ACCOUNTANTS

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**COMMITTEES:**  
Ethics and Elections, *Chair*  
Budget - Subcommittee on General Government  
Appropriations  
Budget - Subcommittee on Transportation, Tourism,  
and Economic Development Appropriations  
Community Affairs  
Environmental Preservation and Conservation  
Rules  
Judiciary  
Appropriations  
Select Committee on Gaming

### SENATOR JACK LATVALA

20th District

February 7, 2013

The Honorable Senator Joe Negron, Chair  
Senate Committee on Appropriations  
201 The Capitol  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Chairman Negron:

I respectfully request consideration of Senate Bill 328 regarding Public Accounting at your earliest convenience.

This bill will enhance the scholarship opportunities for minority students enrolled in an accounting program in our state, and will also align Florida's CPA license renewal requirements with those of 48 other states and improve the regulatory efficiency of the accounting profession.

I would greatly appreciate the opportunity to present this legislation to the Committee on Appropriations as soon as possible.

If you have any questions regarding this legislation, please contact me. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jack".

Jack Latvala  
State Senator  
District 20

Cc: Mike Hansen, Staff Director; Alicia Weiss, Administrative Assistant

**REPLY TO:**

- 26133 U.S. Highway 19 North, Suite 201 Clearwater, FL 33763 (727) 793-2797
- 408 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5020

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**Don Gaetz**  
President of the Senate

**Garrett Richter**  
President Pro Tempore



959328

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/07/2013	.	
	.	
	.	
	.	

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The Committee on Appropriations (Richter) recommended the following:

**Senate Amendment**

Delete line 89  
and insert:  
knowledge of small business assistance needs and challenges.  
Minority and gender representation must be considered when  
making appointments to the board. The



870732

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/07/2013	.	
	.	
	.	
	.	

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The Committee on Appropriations (Gardiner) recommended the following:

**Senate Amendment**

Delete lines 150 - 156  
and insert:

5. Supporting access to capital for business investment and expansion. Such activities include providing technical assistance relating to obtaining surety bonds; identifying and assessing potential debt or equity investors or other financing opportunities; assisting in the preparation of applications, projections, or pro forma or other support documentation for surety bond, loan, financing, or investment requests; and facilitating conferences with lenders or investors.



576-01615-13

Proposed Committee Substitute by the Committee on Appropriations

1 A bill to be entitled  
2 An act relating to the Florida Small Business  
3 Development Center Network; amending s. 288.001, F.S.;  
4 providing a network purpose; providing definitions;  
5 requiring the statewide director and the network to  
6 operate the program in compliance with federal laws  
7 and regulations and a Board of Governors regulation;  
8 requiring the statewide director to consult with the  
9 Board of Governors, the Department of Economic  
10 Opportunity, and the network's statewide advisory  
11 board to establish certain policies and goals;  
12 requiring the network to maintain a statewide advisory  
13 board; providing for advisory board membership;  
14 providing for terms of membership; providing for  
15 certain member reimbursement; requiring the director  
16 to develop support services; specifying support  
17 service requirements; requiring businesses that  
18 receive support services to participate in certain  
19 assessments; requiring the network to provide a match  
20 equal to certain state funding; providing criteria for  
21 the match; requiring the statewide director to  
22 coordinate with the host institution to establish a  
23 pay-per-performance incentive; providing for pay-per-  
24 performance incentive funding and distribution;  
25 providing a distribution formula requirement;  
26 requiring the statewide director to coordinate with  
27 the advisory board to distribute funds for certain



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28 purposes and develop programs to distribute funds for  
29 those purposes; requiring the network to announce  
30 available funding, performance expectations, and other  
31 requirements; requiring the statewide director to  
32 present applications and recommendations to the  
33 advisory board; requiring applications approved by the  
34 advisory board to be publicly posted; providing  
35 minimum requirements for a program; prohibiting  
36 certain regional small business development centers  
37 from receiving funds; providing that match funding may  
38 not be reduced for regional small business development  
39 centers receiving additional funds; requiring the  
40 statewide director to regularly update the Board of  
41 Governors, the department, and the advisory board with  
42 certain information; requiring the statewide director,  
43 in coordination with the advisory board, to annually  
44 report certain information to the President of the  
45 Senate and the Speaker of the House of  
46 Representatives; providing an effective date.

47  
48 Be It Enacted by the Legislature of the State of Florida:

49  
50 Section 1. Section 288.001, Florida Statutes, is amended to  
51 read:

52 288.001 The Florida Small Business Development Center  
53 Network, ~~purpose.~~

54 (1) PURPOSE.—The Florida Small Business Development Center  
55 Network is the principal business assistance organization for



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56 small businesses in the state. The purpose of the network is to  
57 serve emerging and established for-profit, privately held  
58 businesses that maintain a place of business in the state.

59 (2) DEFINITIONS.—As used in this section, the term:

60 (a) “Board of Governors” is the Board of Governors of the  
61 State University System.

62 (b) “Host institution” is the university designated by the  
63 Board of Governors to be the recipient organization in  
64 accordance with 13 C.F.R. s. 130.200.

65 (c) “Network” means the Florida Small Business Development  
66 Center Network.

67 (3) OPERATION; POLICIES AND PROGRAMS.—

68 (a) The network’s statewide director shall operate the  
69 network in compliance with the federal laws and regulations  
70 governing the network and the Board of Governors Regulation  
71 10.015.

72 (b) The network’s statewide director shall consult with the  
73 Board of Governors, the department, and the network’s statewide  
74 advisory board to ensure that the network’s policies and  
75 programs align with the statewide goals of the State University  
76 System and the statewide strategic economic development plan as  
77 provided under s. 20.60.

78 (4) STATEWIDE ADVISORY BOARD.—

79 (a) The network shall maintain a statewide advisory board  
80 to advise, counsel, and confer with the statewide director on  
81 matters pertaining to the operation of the network.

82 (b) The statewide advisory board shall consist of 19  
83 members from across the state. At least 12 members must be



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84 representatives of the private sector who are knowledgeable of  
85 the needs and challenges of small businesses. The members must  
86 represent various segments and industries of the economy in this  
87 state and must bring knowledge and skills to the statewide  
88 advisory board which would enhance the board’s collective  
89 knowledge of small business assistance needs and challenges. The  
90 board must include the following members:

91 1. Three members appointed from the private sector by the  
92 President of the Senate.

93 2. Three members appointed from the private sector by the  
94 Speaker of the House of Representatives.

95 3. Three members appointed from the private sector by the  
96 Governor.

97 4. Three members appointed from the private sector by the  
98 network’s statewide director.

99 5. One member appointed by the host institution.

100 6. The President of Enterprise Florida, Inc., or his or her  
101 designee.

102 7. The Chief Financial Officer or his or her designee.

103 8. The President of the Florida Chamber of Commerce or his  
104 or her designee.

105 9. The Small Business Development Center Project Officer  
106 from the U.S. Small Business Administration at the South Florida  
107 District Office or his or her designee.

108 10. The executive director of the National Federation of  
109 Independent Businesses, Florida, or his or her designee.

110 11. The executive director of the Florida United Business  
111 Association or his or her designee.



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112 (c) The term of an appointed member shall be for 4 years,  
113 beginning August 1, 2013, except that at the time of initial  
114 appointments, two members appointed by the Governor, one member  
115 appointed by the President of the Senate, one member appointed  
116 by the Speaker of the House of Representatives, and one member  
117 appointed by the network's statewide director shall be appointed  
118 for 2 years. An appointed member may be reappointed to a  
119 subsequent term. Members of the statewide advisory board may not  
120 receive compensation but may be reimbursed for per diem and  
121 travel expenses in accordance with s. 112.061.

122 (5) SMALL BUSINESS SUPPORT SERVICES; AGREEMENT.-

123 (a) The statewide director, in consultation with the  
124 advisory board, shall develop support services that are  
125 delivered through regional small business development centers.  
126 Support services must target the needs of businesses that employ  
127 fewer than 100 persons and demonstrate an assessed capacity to  
128 grow in employment or revenue.

129 (b) Support services must include, but need not be limited  
130 to, providing information or research, consulting, educating, or  
131 assisting businesses in the following activities:

132 1. Planning related to the start-up, operation, or  
133 expansion of a small business enterprise in this state. Such  
134 activities include providing guidance on business formation,  
135 structure, management, registration, regulation, and taxes.

136 2. Developing and implementing strategic or business plans.  
137 Such activities include analyzing a business's mission, vision,  
138 strategies, and goals; critiquing the overall plan; and creating  
139 performance measures.



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140 3. Developing the financial literacy of existing businesses  
141 related to their business cash flow and financial management  
142 plans. Such activities include conducting financial analysis  
143 health checks, assessing cost control management techniques, and  
144 building financial management strategies and solutions.

145 4. Developing and implementing plans for existing  
146 businesses to access or expand to new or existing markets. Such  
147 activities include conducting market research, researching and  
148 identifying expansion opportunities in international markets,  
149 and identifying opportunities in selling to units of government.

150 5. Supporting access to capital for business investment and  
151 expansion. Such activities include identifying and assessing  
152 potential debt or equity investors or other financing  
153 opportunities; assisting in the preparation of applications,  
154 projections, or pro forma or other support documentation for  
155 loan, financing, or investment requests; and facilitating  
156 conferences with lenders or investors.

157 6. Assisting existing businesses to plan for a natural or  
158 man-made disaster, and assisting businesses when such an event  
159 occurs. Such activities include creating business continuity and  
160 disaster plans, preparing disaster and bridge loan applications,  
161 and carrying out other emergency support functions.

162 (c) A business receiving support services must agree to  
163 participate in assessments of such services. The agreement, at a  
164 minimum, must request the business to report demographic  
165 characteristics, changes in employment and sales, debt and  
166 equity capital attained, and government contracts acquired. The  
167 host institution may require additional reporting requirements



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168 for funding described in subsection (7).

169 (6) REQUIRED MATCH.—The network must provide a match equal  
170 to the total amount of any direct legislative appropriation  
171 which is received directly by the host institution and is  
172 specifically designated for the network. The match may include  
173 funds from federal or other nonstate funding sources designated  
174 for the network. At least 50 percent of the match must be cash.  
175 The remaining 50 percent may be provided through any allowable  
176 combination of additional cash, in-kind contributions, or  
177 indirect costs.

178 (7) ADDITIONAL STATE FUNDS; USES; PAY-PER-PERFORMANCE  
179 INCENTIVES; STATEWIDE SERVICE; SERVICE ENHANCEMENTS; BEST  
180 PRACTICES; ELIGIBILITY.—

181 (a) The statewide director, in coordination with the host  
182 institution, shall establish a pay-per-performance incentive for  
183 regional small business development centers. Such incentive  
184 shall be funded from half of any state appropriation received  
185 directly by the host institution, which appropriation is  
186 specifically designated for the network. These funds shall be  
187 distributed to the regional small business development centers  
188 based upon data collected from the businesses as provided under  
189 paragraph (5) (c). The distribution formula must provide for the  
190 distribution of funds in part on the gross number of jobs  
191 created annually by each center and in part on the number of  
192 jobs created per support service hour. The pay-per-performance  
193 incentive must supplement the operations and support services of  
194 each regional small business development center, and may not  
195 reduce matching funds dedicated to the regional small business



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196 development center.

197 (b) Half of any state funds received directly by the host  
198 institution which are specifically designated for the network  
199 shall be distributed by the statewide director, in coordination  
200 with the advisory board, for the following purposes:

201 1. Ensuring that support services are available statewide,  
202 especially in underserved and rural areas of the state, to  
203 assist eligible businesses;

204 2. Enhancing participation in the network among state  
205 universities and colleges; and

206 3. Facilitating the adoption of innovative small business  
207 assistance best practices by the regional small business  
208 development centers.

209 (c) The statewide director, in coordination with the  
210 advisory board, shall develop annual programs to distribute  
211 funds for each of the purposes described in paragraph (b). The  
212 network shall announce the annual amount of available funds for  
213 each program, performance expectations, and other requirements.  
214 For each program, the statewide director shall present  
215 applications and recommendations to the advisory board. The  
216 advisory board shall make the final approval of applications.  
217 Approved applications must be publicly posted. At a minimum,  
218 programs must include:

219 1. New regional small business development centers; and

220 2. Awards for the top six regional small business  
221 development centers that adopt best practices, as determined by  
222 the advisory board. Detailed information about best practices  
223 must be made available to regional small business development



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224 centers for voluntary implementation.

225 (d) A regional small business development center that has  
226 been found by the statewide director to perform poorly, to  
227 engage in improper activity affecting the operation and  
228 integrity of the network, or to fail to follow the rules and  
229 procedures set forth in the laws, regulations, and policies  
230 governing the network, is not eligible for funds under this  
231 subsection.

232 (e) Funds awarded under this subsection may not reduce  
233 matching funds dedicated to the regional small business  
234 development centers.

235 (8) REPORTING.—

236 (a) The statewide director shall quarterly update the Board  
237 of Governors, the department, and the advisory board on the  
238 network's progress and outcomes, including aggregate information  
239 on businesses assisted by the network.

240 (b) The statewide director, in coordination with the  
241 advisory board, shall annually report, on June 30, to the  
242 President of the Senate and the Speaker of the House of  
243 Representatives on the network's progress and outcomes for the  
244 previous fiscal year. The report must include aggregate  
245 information on businesses assisted by the network, network  
246 services and programs, the use of funds specifically dedicated  
247 to the network, and the network's economic benefit to the state.  
248 The report must contain specific information on performance-  
249 based metrics and contain the methodology used to calculate the  
250 network's economic benefit to the state.

251 Section 2. This act shall take effect July 1, 2013.

**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 Appropriations

BILL: CS/SB 224

INTRODUCER: Committee on Appropriations (Recommended by Appropriations Subcommittee on Transportation, Tourism, and Economic Development) and Senator Detert

SUBJECT: Florida Small Business Development Center Network

DATE: March 11, 2013      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Smith	Hrdlicka	CM	<b>Favorable</b>
2.	Pingree	Martin	ATD	<b>Fav/CS</b>
3.	Pingree	Hansen	AP	<b>Fav/CS</b>
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

- |                              |                                     |   |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

CS/SB 224 establishes several provisions related to the Florida Small Business Development Center Network (network).

The bill:

- Aligns the network’s statewide policies with the statewide strategic economic development plan and statewide goals of the university system;
- Specifies the composition of the network’s statewide advisory board;
- Specifies the support services offered by the network;
- Requires the network to provide a match to any direct state appropriation;
- Requires the network to set up incentives for the regional centers to create jobs, institute best practices, and serve new areas of the state or underserved areas; and
- Requires regular reporting by the network on programs, services, and outcomes, including information on the network’s economic benefits to the state.

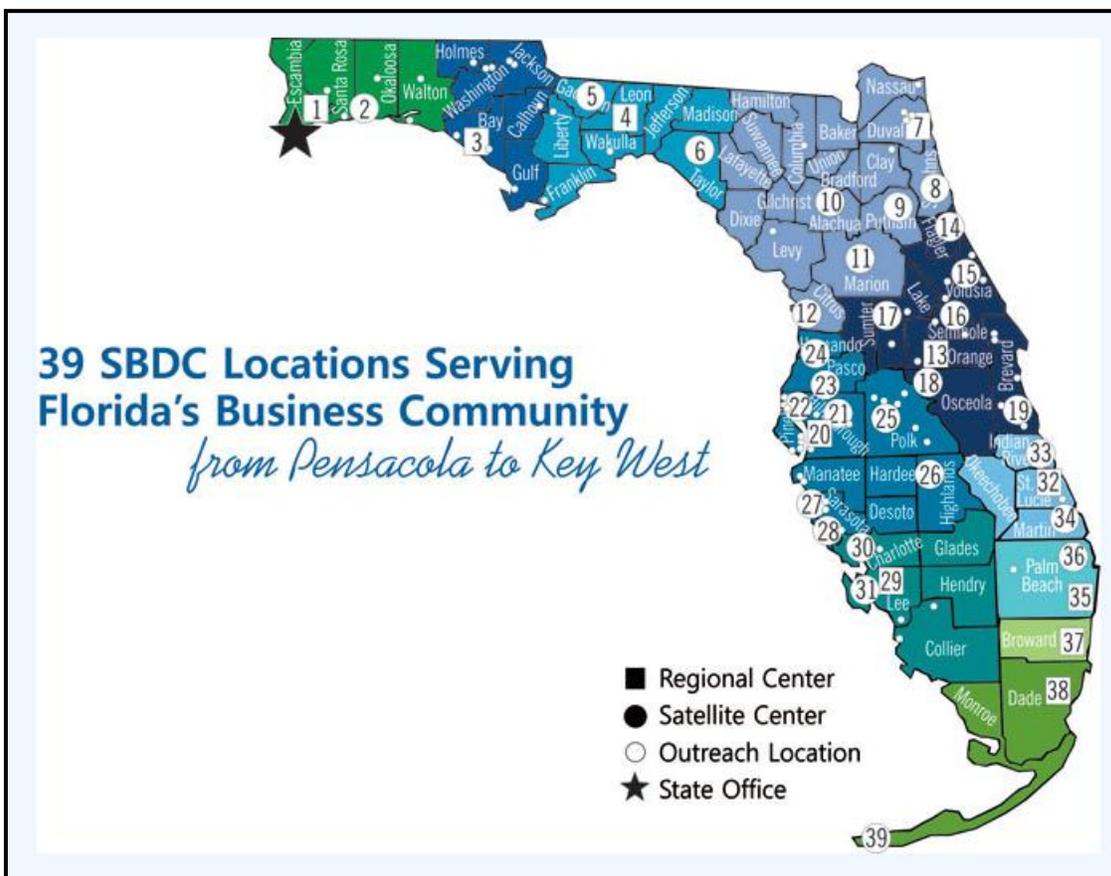
The bill has an insignificant, but indeterminate, fiscal impact.

This bill substantially amends section 288.001, Florida Statutes.

**II. Present Situation:**

In 2008, the Legislature recognized the Florida Small Business Development Center Network (network) as the principal business assistance organization for small businesses in the state.<sup>1</sup>

The network is a consortium of regional small business development centers throughout the state that offer current and prospective small businesses consulting services, training opportunities, and access to other resources and information. Regional centers are based at several of Florida’s colleges and universities, with 39 total locations. The map below illustrates the network’s total geographic range.<sup>2</sup>



**History and Structure**

The network originated in 1976 as part of a federal pilot program at the University of West Florida (UWF) for the purposes of providing counseling and advising services for small businesses. UWF was among the 8 original universities selected by the U.S. Small Business

<sup>1</sup> Ch. 2008-149, L.O.F., codified as s. 288.001, F.S.

<sup>2</sup> Map and detailed location information available at: <http://floridasbdc.org/locations.php>. (Last visited on January 8, 2013).

Administration (SBA) in part because it was already actively providing business services to the local community.<sup>3</sup>

Today, the national Small Business Development Center program is administered by the Office of Small Business Development Centers within the SBA.<sup>4</sup> The national program is made up of 63 networks throughout the U.S., the District of Columbia, and four territories. Federal laws<sup>5</sup> and regulations<sup>6</sup> require that the various state-level programs be located at institutions of higher education.

The network's state headquarters are located at UWF. As the host institution of the statewide network, UWF's president is responsible for appointing and hiring the statewide director,<sup>7</sup> who serves as the statewide program's single point of contact for management and operations. The statewide director is an employee of UWF.

Federal requirements stipulate that the network must have a state advisory board that includes small business owners from across the state program's area of service.<sup>8</sup> Advisory board members serve to advise the statewide director on areas including strategic direction and advocacy. The current statewide advisory board is selected through a nomination process, whereby nominations are forwarded to the statewide director, who considers each candidate.<sup>9</sup> Network policies require nominees to be "sympathetic and familiar with small business needs and problems."<sup>10</sup> Once the statewide director has reviewed nominees, the state advisory board's chair along with several other board members review the nominee's credentials further to make a final determination as to whether to approve or deny the nominee. If approved, the statewide director and UWF's provost send a letter of approval and congratulations to the nominee. Member terms last for 3 years, and there is no requirement limiting the number of times a member may be reappointed.

Program funds are overseen by the network's statewide director's office. Total program funds are approximately \$11-12 million annually, consisting of federal grant funds, cash match, indirect, and in-kind donations.<sup>11</sup> Federal requirements stipulate that the network provide an equal match to any federal grant, of which at least 50 percent must be cash, with the remaining amount constituted of indirect costs and in-kind contributions. At least 80 percent of all federally-supplied funds must be used for direct costs of program delivery.<sup>12</sup>

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<sup>3</sup> Association of Small Business Development Centers, *A Brief History of America's Small Business Development Center Network*, available at: [http://www.asbdc-us.org/About\\_Us/aboutus\\_history.html](http://www.asbdc-us.org/About_Us/aboutus_history.html). (Last visited on January 8, 2013.)

<sup>4</sup> OSBDC website, available at: <http://www.sba.gov/about-offices-content/1/700>, (Last visited on January 9, 2013).

<sup>5</sup> 15 U.S.C s. 648.

<sup>6</sup> 13 CFR ss. 130.100-130.830.

<sup>7</sup> Florida Small Business Development Center Network, *Application to establish the Florida Small Business Development Center Network as a State of Florida Center*, (July, 2009), available at: [http://uwf.edu/trustees/Dec12\\_08/SBDC\\_Application.pdf](http://uwf.edu/trustees/Dec12_08/SBDC_Application.pdf), (Last visited on: January 10, 2013).

<sup>8</sup> *Supra* note 5 and 13 CFR s. 130.360.

<sup>9</sup> FSBDCN website, "State Advisory Board," available at: <http://floridasbdc.org/advisory.php>, (Last visited on: January 10, 2013).

<sup>10</sup> *Supra* note 7 at page 14.

<sup>11</sup> *Supra* note 7 at page 15.

<sup>12</sup> *Supra* note 5 and 13 CFR s. 130.110.

All federal grant funds are transferred directly to the network's statewide director's office. In order to meet the program's cash match and indirect requirements, participating host colleges and universities are required to, at a minimum, pay the costs of hiring a regional director and support staff, and supply additional expense funds for program operations. While the network does not currently receive a direct state appropriation, state funding is indirectly applied to the program through each participating college or university's budget.<sup>13</sup> Direct state appropriations to the network were provided in prior years, as follows:

- Fiscal Year 2008-09 - \$250,000
- Fiscal Year 2009-10 - \$250,000
- Fiscal Year 2010-11 - \$500,000
- Fiscal Year 2011-12 - \$500,000 (VETOED)

Additional cash and indirect support for member regional centers may be provided by local economic development organizations, regional workforce boards, local chambers of commerce, private companies, and others.<sup>14</sup>

Member regional centers receive federal funds by responding to an annual Request for Proposal that is managed by the statewide director's office. Each response must contain a detailed budget, program narrative, and deliverable goals. Any funds awarded to regional centers are allocated based on a funding formula. The formula is as follows:<sup>15</sup>

- 60 percent based on population;
- 10 percent based on business population; and
- 30 percent based on the size of the geographic area served by the regional center.

The National Association of Small Business Development Centers (ASBDC) operates under a contract with the U.S. SBA to conduct a Congressionally-required review of the network every 5 years.<sup>16</sup> The SBA also conducts bi-annual financial examinations of the network, and each regional center within the network is reviewed annually by a designated SBA project officer. Additionally, each regional center is subject to internal review by its host institution as well as a review every 10 years by the Southern Association of Colleges and Schools.<sup>17</sup>

## **Services and Results**

Regional centers provide prospective and current small business owners with a variety of consulting services. Many of the state's 39 regional centers allow those interested in services to receive in-person and online consulting services. Each regional center is staffed by Certified Business Analysts (CBAs) who are paid employees. Many regional centers also receive

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<sup>13</sup>Conversation with Jerry Cartwright, FSBDCN State Director, on December 10, 2012.

<sup>14</sup>*Supra* note 7 at page 16.

<sup>15</sup>*Supra* note 7 at page 16.

<sup>16</sup>Discussion with Jerry Cartwright, FSBDCN State Director, on December 11, 2012.

<sup>17</sup>*Supra* note 7 at page 18.

assistance from unpaid volunteers who are experts in certain areas of business. Typical consulting services offered at regional centers include:<sup>18</sup>

- Business plans and start-up assistance;
- Marketing and revenue strategies;
- Accounting, budgeting, and tax assistance;
- Human resources and management consulting;
- International trade assistance and advice;
- Strategic planning;
- Government contracting assistance; and
- Assistance with locating financing, including SBA loans.

In addition to walk-ins, appointments, and on-line consulting services, regional centers frequently offer seminars, workshops and other training opportunities.<sup>19</sup> Such opportunities are taught by CBAs, host institution faculty, as well as government and private-sector professionals. Nominal fees may be charged for attending training opportunities.

According to the network's 2011 Annual Report,<sup>20</sup> a 2011 economic and statistical analysis of the network conducted by the Haas Center for Business Research at UWF determined that for every dollar invested by Florida taxpayers, \$6.60 in local and state tax revenue was returned. A survey of other statewide program results is below:

Service	2011	1980-2011
<b>New Businesses Started</b>	1,026	9,089
<b>Entrepreneurs &amp; Small Businesses Served</b>	38,444	1,143,578
<b>Consulting Hours Delivered</b>	57,688	1,778,404
<b>Training Events Delivered</b>	1,464	35,989

### State of Florida Center Designation

On August 6, 2009, the State University System's Board of Governors (BOG) designated the network as a State of Florida Center.<sup>21</sup> BOG regulations<sup>22</sup> state that in order for an entity to be designated as a State of Florida Center, it must have a statewide mission, may include two or more state universities, and be established to coordinate inter-institutional research, service, and teaching across the State University System.

<sup>18</sup> Survey of regional small business development center websites. Visit <http://floridasbdc.org/locations.php> for links to each location's website. (Last visited on January 11, 2013.)

<sup>19</sup> See <http://floridasbdc.org/training.php>, (last visited on January 11, 2013).

<sup>20</sup> FSBDCN Annual Report available at: <http://floridasbdc.org/Docs/2012/2011-Annual-Report/index.html>, (last visited on January 11, 2013).

<sup>21</sup> FSBDCN Press Release, (August 14, 2009), available at: [http://floridasbdc.org/News/Press/Archive/Press\\_Aug\\_14\\_2009.pdf](http://floridasbdc.org/News/Press/Archive/Press_Aug_14_2009.pdf), (last visited on January 11, 2013).

<sup>22</sup> Board of Governors Regulation 10.015 – Institutes and Centers, available at: [http://www.flbog.edu/documents\\_regulations/regulations/10\\_015\\_Institutes\\_and\\_Centers.pdf](http://www.flbog.edu/documents_regulations/regulations/10_015_Institutes_and_Centers.pdf), (last visited on January 11, 2013).

### III. Effect of Proposed Changes:

**Section 1** amends s. 288.001, F.S., relating to the Florida Small Business Development Center Network.

The bill specifies the purpose of the network is to serve emerging and established for-profit, privately held businesses with a place of business in the state.

#### *Statewide director*

The bill specifies several requirements of the network's statewide director. Relating to the statewide director, the bill requires the director to:

- Operate the network in compliance with federal law and Board of Governors Regulation 10.015;
- Consult with the Board of Governors, the Department of Economic Opportunity (DEO), and the network's advisory board to ensure that the policies and programs of the network align with the statewide economic development plan and state university goals;
- Develop support services to be offered by the network in consultation with the advisory board;
- Develop a pay-per-performance incentive for regional small business development centers and incentive programs to support small business assistance best practices, enhance program participation, and ensure network services are offered statewide;
- Update the Board of Governors, DEO, and the advisory board quarterly on the network's performance; and
- Present an annual report on June 30<sup>th</sup> to the President of the Senate and the Speaker of the House of Representatives on the network's progress and outcomes for the previous fiscal year, including the network's economic benefit to the state.

#### *Statewide advisory board*

Federal requirements do not specify how the network's statewide advisory board is to be selected or its size, but do require the board to have members who are small business owners and representative of the program's entire Service Area. In the case of the network, the Service Area is the entire state. The bill provides direction as to the composition of the network's statewide advisory board. The bill requires the statewide advisory board to consist of 19 members from across the state, with at least twelve members being representatives of the private sector who are knowledgeable of the needs and challenges of small businesses. The bill sets a member's term on the board at 4 years, except for five members who initially serve terms of 2 years. Statewide advisory board members may be reappointed to a subsequent term, and may not receive compensation for membership on the statewide advisory board, but may receive reimbursement for per diem and travel expenses. Per diem expenses are authorized by federal requirements. The statewide advisory board is required to be composed of the following:

- Three members from the private sector appointed by the Governor. (Two of whom initially serve 2-year terms.)

- Three members from the private sector appointed by the President of the Senate. (One of whom initially serves a 2-year term.)
- Three members from the private sector appointed by the Speaker of the House of Representatives. (One of whom initially serves a 2-year term.)
- Three members appointed by the statewide director. (One of whom initially serves a 2-year term.)
- One member appointed by the host institution. (UWF)
- The President of Enterprise Florida, Inc., or his or her designee.
- The Chief Financial Officer or his or her designee.
- The President of the Florida Chamber of Commerce or his or her designee.
- The Small Business Development Center Project Officer from the U.S. Small Business Administration at the South Florida District Office or his or her designee.
- The Executive Director of the National Federation of Independent Businesses, Florida or his or her designee.
- The Executive Director of the Florida United Business Association or his or her designee.

The bill codifies the current membership of the statewide advisory board, with the exception of two additional members to be appointed by the network's statewide director. The bill provides that minority and gender representation must be considered when making appointments to the statewide advisory board.

#### *Support Services*

The bill specifies that the statewide director and the advisory board must develop support services that are delivered by regional small business development centers. Support services must target the needs of businesses that employ fewer than 100 persons and demonstrate a capacity to grow in employment or revenue. Businesses receiving support services must agree to participate in an assessment of services received. Information requested of participating businesses includes demographic information, changes in employment and sales, debt and equity capital attained, government contracts obtained, and other information as required by the host institution (UWF).

The bill establishes the parameters of support services offered to businesses. Services include providing information or research, consulting, educating, or otherwise assisting businesses in areas such as: planning related to a start-up business; developing strategic or business plans; offering financial literacy education; helping businesses identify and expand to new markets; supporting access to capital for business investment or expansion, including provision of technical assistance related to obtaining surety bonds; and assisting existing business with natural or man-made disaster planning. This largely codifies the support services already offered by the network.

#### *Additional State Funds*

The bill requires the network to provide a match equal to the amount of any direct legislative appropriation. The match provided by the network must consist of 50 percent cash, with the remaining 50 percent coming from in-kind, additional cash, or other indirect costs. The cash

requirement may consist of federal funds received by the network. This requirement is similar to existing matching funds requirements for federal funds.

Should the host institution (UWF) receive additional state funding specifically designated for the network, half of any such funds must be used to establish a pay-per-performance incentive for regional small business development centers. The incentive is to be developed by the statewide director and the advisory board. Funds for the pay-per-performance incentive must be distributed based on the gross number of jobs created annually by each regional center and based on the number of jobs created per support service hour. Pay-per-performance incentive funds received by regional centers must be used to supplement operations and services provided by regional centers. Regional centers may not reduce matching funds dedicated to the small business development center program should they receive any incentive funds under the pay-per-performance program.

The remaining half of any additional state funds received by the host institution (UWF) for the network must be distributed by the statewide director, in coordination with the advisory board, for the purposes of:

- Ensuring support services are available statewide, especially in underserved and rural areas of the state;
- Encouraging colleges and universities to participate in the program; and
- Encouraging the adoption of small business assistance best practices by regional centers.

The network must announce the annual amount of available funds for each program, as well as any performance expectations or other requirements. Applications must be approved by the advisory board and publicly posted. At a minimum, programs must include new regional small business development centers and awards for the top six regional centers that adopt best practices, as determined by the advisory board. Detailed information about best practices must be made available to regional centers for voluntary adoption. Regional centers that are poor performing, have been found to have engaged in improper activity, or have failed to follow program requirements may not receive any award funds. Regional centers may not reduce matching funds dedicated to the small business development center program should they receive any incentive funds under this program.

#### *Reporting Requirements*

The bill requires that the statewide director update the Board of Governors, the Department of Economic Opportunity, and the advisory board each quarter on the network's progress and outcomes, including aggregate information on businesses assisted by the network.

In addition to quarterly updates, the statewide director and the advisory board must produce an annual report, due by June 30<sup>th</sup>, to the President of the Senate and the Speaker of the House of Representatives. The report must include similar information provided quarterly, and must also include information on additional state funds dedicated to the program and the network's economic benefit to the state. The report must include any performance-based metrics used by the network and the methodology used to calculate the economic benefit to the state.

**Section 2** provides an effective date of July 1, 2013.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

To the extent that more small businesses are assisted through increased performance by the network and regional centers, the bill may have a positive impact on the private sector.

C. Government Sector Impact:

The bill does not provide any specific resources or funds to establish and implement a pay-per-performance incentive, or resources or funds to establish and implement a best practices program, a program to encourage college and university participation, or a program to increase services to underserved and rural areas of the state.

The bill is expected to have an insignificant, but indeterminate, impact on the operating budgets of the Board of Governors and the Department of Economic Opportunity.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Appropriations on March 7, 2013:**

The CS does the following:

- Specifies the network’s purpose as serving emerging and established for-profit, privately held businesses in Florida.
- Requires the network to operate in compliance with federal law and BOG Regulation 10.015.
- Requires the director to *consult* with the BOG, DEO, and the advisory board to align the network’s policies with the state economic development plan and university system goals.
- Establishes the composition of the 19 member advisory board: 12 members from the private sector along with representatives from Enterprise Florida, Inc., the Chief Financial Officer, the Florida Chamber, the U.S. SBA, NFIB, and FUBA. The CS requires that minority and gender representation be considered when appointments are made to the advisory board.
- Specifies support services offered by the network to businesses and requires businesses receiving support services to provide certain data used to assess the network’s services.
- Specifies how the network may use any additional state funds appropriated to the host institution that are specifically designated for the network:
  - Half must be used to support a pay-per-performance program based on jobs created.
  - Half must be used to support expanding services, encourage program participation among colleges and universities, and encourage adoption of small business assistance best practices at the top 6 regional small business development centers across the state.
- Prohibits centers that have poor performance, have been found to have engaged in improper activities, or failed to follow program requirements from receiving incentive funds.
- Requires the director to report quarterly to BOG, DEO and the advisory board on the network’s progress and outcomes.
- Requires the director and advisory board to produce an annual report due June 30 to the President of the Senate and the Speaker of the House of Representatives. Information included must describe the network’s progress and outcomes for the previous year, including the network’s economic benefit to the state.

- B. **Amendments:**

None.

By Senator Detert

28-00427-13

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1 A bill to be entitled  
 2 An act relating to the Florida Small Business  
 3 Development Center Network; amending s. 288.001, F.S.;  
 4 providing that the network's statewide director is  
 5 subject to the approval of the Board of Governors of  
 6 the State University System; providing for removal for  
 7 cause; requiring the statewide director to regularly  
 8 update the Board of Governors and the Department of  
 9 Economic Opportunity with certain information;  
 10 providing that the Board of Governors, the department,  
 11 and the network's statewide advisory board are jointly  
 12 responsible for establishing certain policies and  
 13 goals; providing for advisory board membership;  
 14 providing for terms of membership; providing for  
 15 certain member reimbursement; requiring the statewide  
 16 director to work with regional small business  
 17 development centers to establish and approve budgets;  
 18 requiring the statewide director to establish certain  
 19 accountability measures; requiring the statewide  
 20 director to coordinate with the Board of Governors to  
 21 establish an innovative incentive program; providing  
 22 for funds to be disbursed to regional small business  
 23 development centers that meet certain standards;  
 24 providing that match funding may not be reduced for  
 25 regional small business development centers receiving  
 26 funds from the innovative incentive program; requiring  
 27 the statewide director and the network to operate the  
 28 program in compliance with federal laws and  
 29 regulations; amending s. 1001.706, F.S.; providing the

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 Board of Governors with certain powers and duties  
 31 relating to the network; providing an effective date.  
 32  
 33 Be It Enacted by the Legislature of the State of Florida:  
 34  
 35 Section 1. Section 288.001, Florida Statutes, is amended to  
 36 read:  
 37 288.001 The Florida Small Business Development Center  
 38 Network; purpose.—The Florida Small Business Development Center  
 39 Network is the principal business assistance organization for  
 40 small businesses in the state.  
 41 (1) As used in this section, the term:  
 42 (a) "Network" means the Florida Small Business Development  
 43 Center Network.  
 44 (b) "Board of Governors" is the Board of Governors of the  
 45 State University System.  
 46 (2) (a) The network's statewide director is subject to the  
 47 approval of and may be removed for cause by the Board of  
 48 Governors.  
 49 (b) The statewide director shall regularly update the Board  
 50 of Governors and the department on the network's progress and  
 51 outcomes, including information on businesses and entrepreneurs  
 52 assisted by the network and the network's economic return to the  
 53 state.  
 54 (3) The Board of Governors, the department, and the  
 55 network's statewide advisory board are jointly responsible for  
 56 establishing the network's statewide policies and goals to  
 57 ensure that the network's policies and programs align with the  
 58 statewide goals of the State University System and the statewide

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 strategic economic development plan pursuant to s. 20.60.  
 60 (4) (a) The network's statewide advisory board shall consist  
 61 of 17 members from across the state. At least 10 members must be  
 62 representatives of the private sector who are knowledgeable of  
 63 and sympathetic to the needs and challenges of small businesses.  
 64 The members must represent various segments and industries of  
 65 the Florida economy and must bring knowledge and skills to the  
 66 statewide advisory board that would enhance the statewide  
 67 advisory board's collective knowledge of small business  
 68 assistance needs and challenges. The statewide advisory board  
 69 must include the following members:  
 70 1. Three members appointed from the private sector by the  
 71 President of the Senate.  
 72 2. Three members appointed from the private sector by the  
 73 Speaker of the House of Representatives.  
 74 3. Three members appointed from the private sector by the  
 75 Governor.  
 76 4. One member appointed by the statewide director from the  
 77 private sector.  
 78 5. One member appointed by the host institution.  
 79 6. The President of Enterprise Florida, Inc., or his or her  
 80 designee.  
 81 7. The Chief Financial Officer or his or her designee.  
 82 8. The President of the Florida Chamber of Commerce or his  
 83 or her designee.  
 84 9. The Small Business Development Center Project Officer  
 85 from the U.S. Small Business Administration at the South Florida  
 86 District Office or his or her designee.  
 87 10. The President of the National Federation of Independent

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88 Businesses, Florida, or his or her designee.  
 89 11. The Executive Director of the Florida United Business  
 90 Association or his or her designee.  
 91 (b) An appointed member shall serve a 4-year term beginning  
 92 August 1, 2013, except that initially 2 members appointed by the  
 93 Governor, 1 member appointed by the President of the Senate, 1  
 94 member appointed by the Speaker of the House of Representatives,  
 95 and the member appointed by the statewide director shall serve a  
 96 term of 2 years. An appointed member may be reappointed to a  
 97 subsequent term. Members of the statewide advisory board may not  
 98 receive compensation but may be reimbursed for per diem and  
 99 travel expenses pursuant to s. 112.061.  
 100 (5) The statewide director shall work with regional small  
 101 business development centers that are part of the network to  
 102 establish and approve the regional small business development  
 103 center budgets and to ensure the budgets align with the  
 104 network's statewide policy and goals. The statewide director  
 105 shall also establish accountability measures to ensure the  
 106 proper expenditure of funds and alignment with the network's  
 107 statewide policy and goals. Accountability measures must include  
 108 performance-based metrics for contractual agreements.  
 109 (6) The statewide director shall coordinate with the Board  
 110 of Governors to establish an innovative incentive program for  
 111 regional small business development centers to encourage  
 112 adoption of small business assistance best practices by regional  
 113 small business development centers.  
 114 (a) A resource or fund dedicated to the innovative  
 115 incentive program shall be disbursed only to regional small  
 116 business development centers that demonstrate best practices, as

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117 determined by performance-based metrics developed by the  
118 statewide director.

119 (b) Regional small business development centers receiving  
120 additional funds as a result of the innovative incentive program  
121 may not reduce matching funds dedicated to the small business  
122 development center program.

123 (7) The network and the statewide director must operate the  
124 program in compliance with federal laws and regulations,  
125 including terminating or suspending a regional director or other  
126 employee for actions that cause harm to the program or that  
127 cause the public to question the integrity of the program.

128 Section 2. Present subsections (8) through (11) of section  
129 1001.706, Florida Statutes, are redesignated as subsections (9)  
130 through (12), respectively, and a new subsection (8) is added to  
131 that section, to read:

132 1001.706 Powers and duties of the Board of Governors.—

133 (8) POWERS AND DUTIES RELATING TO THE FLORIDA SMALL  
134 BUSINESS DEVELOPMENT CENTER NETWORK.—The Board of Governors has  
135 the powers and duties set forth in s. 288.001 to implement the  
136 Florida Small Business Development Center Network.

137 Section 3. This act shall take effect July 1, 2013.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-7-13

Meeting Date

Topic FLORIDA SMALL BUSINESS DEV. CTZ, Bill Number SB 224 (if applicable)

Name MICHAEL MYHRE Amendment Barcode \_\_\_\_\_ (if applicable)

Job Title INTERIM STATE DIRECTOR - FSBD

Address 11000 UNIVERSITY PKWY Phone 850-473-7802

Street

PENSACOLA, FL 32514

City

State

Zip

E-mail MICHAEL.MYHRE@FLORIDASBDC.ORG

Speaking:  For  Against  Information

Representing FLORIDA SMALL BUSINESS DEVELOPMENT CENTER NETWORK

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3 / 7 / 2013

*Meeting Date*

Topic \_\_\_\_\_

Bill Number 224  
*(if applicable)*

Name BRIAN PITTS

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

*Street*

SAINT PETERSBURG

FLORIDA

33705

E-mail JUSTICE2JESUS@YAHOO.COM

*City*

*State*

*Zip*

Speaking:  For  Against  Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

**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 Appropriations

BILL: CS/CS/SB 62

INTRODUCER: Transportation Committee and Senator Hays

SUBJECT: Low-Speed Vehicles

DATE: March 7, 2013

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	<b>Fav/CS</b>
2.	Smith	Hrdlicka	CM	<b>Favorable</b>
3.	Carey	Martin	ATD	<b>Favorable</b>
4.	Carey	Hansen	AP	<b>Fav/CS</b>
5.				
6.				

**Please see Section VIII. for Additional Information:**

- A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes  
 B. AMENDMENTS.....  Technical amendments were recommended  
 Amendments were recommended  
 Significant amendments were recommended

**I. Summary:**

CS/CS/SB 62 establishes procedures to allow a vehicle titled or branded and registered as a low-speed vehicle (LSV) to be administratively converted to a golf cart upon verification of the conversion by the Department of Highway Safety & Motor Vehicles (DHSMV), which is accomplished by the owner's submittal of an affidavit, surrender of the registration license plate and current certificate of title, payment of a \$40 administrative fee, and placement of a specified decal on the rear of the converted vehicle.

This bill will have an indeterminate, but insignificant negative revenue impact on the General Revenue Fund and the State Transportation Trust Fund and an indeterminate, but positive impact to the Highway Safety Operating Trust Fund.

This bill amends section 319.14, Florida Statutes.

**II. Present Situation:**

While there are many types, LSVs generally resemble golf carts cosmetically but differ in that LSVs are manufactured and configured for street use. An LSV may be electrically or gasoline-

powered. Some models carry up to eight passengers. As of December 2012, there were 5,818 LSVs registered in the state.

### **Federal Law**

Federal rule defines “low-speed vehicle” as a four-wheeled motor vehicle with a top speed of between 20 and 25 miles per hour on a paved level surface, and a gross vehicle weight rating of less than 3,000 pounds.<sup>1</sup> The rule requires that LSVs be equipped with headlamps, front and rear turn signal lamps, tail lamps, stop lamps, reflex reflectors, mirrors, parking brakes, windshields, seat belts, and vehicle identification numbers. LSVs are not required to meet any criteria for vehicle crashworthiness.<sup>2</sup>

In 1998, the National Highway Traffic Safety Administration (NHTSA) established a limited set of safety standards for LSVs intended for vehicles used “to make short trips for shopping, social and recreational purposes primarily within retirement or other planned communities with golf courses.”<sup>3</sup> In its discussion, NHTSA explained its determination to exclude conventional golf carts (which, by definition, are incapable of traveling more than 20 miles per hour) from application of the safety standards and to limit application to LSVs:

“The crash forces that 20 to 25 mile-per-hour vehicles will experience are significantly greater than those for 15 to 20 mile-per-hour golf cars and much greater than those for sub-15 mile-per-hour golf cars. Those greater forces make it necessary to require that LSVs be equipped with more safety features than the states and their local jurisdictions currently require for conventional golf cars used on-road.”<sup>4</sup>

Federal law, specifically 23 U.S.C. s. 217(h), prohibits any motorized vehicle on pedestrian walkways except for maintenance purposes; snowmobiles when snow conditions and state or local regulations permit; motorized wheelchairs; electric bicycles when state or local regulations permit; and such other circumstances as the Secretary of Transportation deems appropriate.

Section 30 of Title 26 of the United States Code provides for a tax credit for low-speed vehicles<sup>5</sup> acquired after February 17, 2009, and before January 1, 2012, and that otherwise meet the requirements for receipt of the credit. The credit is limited to \$2,500. Taxpayers are authorized to apply for the credit on the basis of the manufacturer’s specified certification to the purchaser that an eligible vehicle meets all requirements that must be satisfied to claim the credit.

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<sup>1</sup> 49 C.F.R. s. 571.3 (2003).

<sup>2</sup> 49 C.F.R. s. 571.500 (2003).

<sup>3</sup> “Federal Motor Vehicle Safety Standards; Final Rule,” 63 Federal Register 116 (17 June 1998), pp. 33194 – 33217, at 33194.

<sup>4</sup> *Id.* at 33198.

<sup>5</sup> Defined as a vehicle that has at least four wheels; is manufactured primarily for use on public streets, roads and highways; is not manufactured primarily for off-road use, such as primarily for use on a golf course; whose speed attainable in one mile is more than 20 miles per hour and not more than 25 miles per hour on a paved level surface; and whose gross vehicle weight rating is less than 3,000 pounds. See *Notice 2009-58, 2009-30 Internal Revenue Bulletin 163*.

## State Law

In 1999, the Legislature first authorized the operation of LSVs and set speed limits for LSVs and golf carts consistent with the final federal rule.<sup>6</sup> Current state law is described below.

### *Low-speed Vehicles*

Section 320.01(42), F.S., defines “low-speed vehicle” as any four-wheeled vehicle whose top speed is greater than 20 miles per hour but not greater than 25 miles per hour, including, but not limited to, neighborhood electric vehicles. A revision by the 2012 Legislature removed language restricting LSVs to electrical power, effectively expanding the definition to include gasoline-powered vehicles. LSVs must comply with the safety standards in 49 C.F.R. s. 571.500 and s. 316.2122, F.S.

Section 316.2122, F.S., authorizes the operation of LSVs on any road with the following restrictions:

- An LSV may be operated only on streets where the posted speed limit is 35 miles per hour or less. This does not prohibit an LSV from crossing a road or street at an intersection where the road or street has a posted limit of more than 35 miles per hour.
- An LSV must be equipped with headlamps, stop lamps, turn signal lamps, tail lamps, reflex reflectors, parking brakes, rearview mirrors, windshields, seat belts, and vehicle identification numbers.
- An LSV must be registered and insured in accordance with s. 320.02, F.S., and titled pursuant to ch. 319, F.S.
- Any person operating an LSV must have in his or her possession a valid driver’s license.
- A county or municipality may prohibit the operation of LSVs on any road under its jurisdiction if the governing body of the county or municipality determines that such prohibition is necessary in the interest of safety.
- The Florida Department of Transportation (FDOT) may prohibit the operation of LSVs on any road under its jurisdiction if it determines that such prohibition is necessary in the interest of safety.

Operation of an LSV on sidewalks or sidewalk areas is not authorized under Florida law.

### *Golf Carts*

Florida law defines a golf cart as a motor vehicle designed and manufactured for operation on a golf course for sporting or recreational purposes and is not capable of exceeding speeds of 20 miles per hour.<sup>7</sup>

Section 322.04(1)(d), F.S., exempts a person operating a golf cart from provisions requiring the operator to have a driver license, and s. 320.105, F.S., exempts golf carts from provisions

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<sup>6</sup> Chapter 99-163, L.O.F.

<sup>7</sup> ss. 316.003(68) and 320.01(22), F.S.

requiring the registration of vehicles or the display of license plates when operated in accordance with s. 316.212, F.S., or s. 316.2126, F.S.

Generally, golf carts may not be used on the public roads or streets. Section 316.212, F.S., prohibits the operation of a golf cart upon the public roads or streets except that:

- A golf cart may be operated only upon a county road or municipal street that has been designated by the respective county or municipality for use by golf carts provided that certain actions are taken by the local government.
- A golf cart may be operated on a part of the State Highway System (SHS) only under the following conditions:
  - To cross a portion of the SHS if FDOT has reviewed and approved the location and design.
  - To cross, at midblock, a part of the SHS where a golf course is constructed on both sides of the highway if FDOT has reviewed and approved the location and design.
- A golf cart may be operated for the purpose of crossing a street or highway where a single mobile home park is located on both sides and is divided by that street or highway, provided that the location of the crossing is approved by the appropriate governmental authority.
- A golf cart may be operated on a road that is part of the State Park Road System if the posted speed limit is 35 miles per hour or less, when approved by the Department of Environmental Protection.

In all cases where a golf cart may be used on a public road, the golf cart must be equipped with efficient brakes, reliable steering apparatus, safe tires, a rearview mirror, and red reflectorized warning devices in both the front and rear.<sup>8</sup> Further, a golf cart may be operated only during the hours between sunrise and sunset, unless the responsible governmental entity determines that a golf cart may be operated during the hours between sunset and sunrise and the golf cart is equipped with headlights, brake lights, turn signals, and a windshield.<sup>9</sup> In no case may a golf cart be operated on a public road by any person under the age of 14.<sup>10</sup>

Under certain conditions, a local governmental entity may enact an ordinance allowing golf cart operation on sidewalks adjacent to public roads.<sup>11</sup> Where allowed, golf carts may not be operated at speeds above 15 miles per hour.

Section 316.2125, F.S., authorizes the reasonable operation of a golf cart, equipped and operated as provided in s. 316.212(5), (6), and (7), F.S., within any self-contained retirement community unless a county, municipality, or FDOT, for any street or highway under their respective jurisdictions, prohibits such operation in the interest of safety. A local governmental entity may enact a more restrictive ordinance regarding golf cart operation and equipment that applies only to an unlicensed driver and, upon enactment, must post appropriate signs or otherwise inform residents that such an ordinance exists and will be enforced.

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<sup>8</sup> Section 316.212(6), F.S.

<sup>9</sup> Section 316.212(5), F.S.

<sup>10</sup> Section 316.212(7), F.S.

<sup>11</sup> Section 316.212(8)(b), F.S.

Current law provides additional authorized uses of both LSVs and golf carts. Section 316.2126, F.S., authorizes municipal employees to operate golf carts upon any state, county, or municipal road within the corporate limits of such municipalities, upon certain sidewalks, and to cross a portion of the SHS under specified conditions; and state employees, state park volunteers, and state park visitors are authorized to operate golf carts upon public roads within the boundaries of state parks subject to specified conditions. Seasonal delivery personnel are also authorized to use LSVs and golf carts under the conditions specified from midnight October 15 until midnight December 31 of each year. Lastly, s. 316.21265, F.S., authorizes law enforcement agencies to operate LSVs and golf carts, under the conditions specified, on any street, road, or highway in this state while carrying out its official duties.

The DHSMV currently maintains a procedure allowing golf carts to be converted to LSVs, consistent with existing federal law, but current Florida law does not allow for conversion of an LSV to a golf cart. The DHSMV has no mechanism for canceling the title and registration of a converted LSV or for removing an LSV vehicle identification number from its records.

Several manufacturers' lines currently offer vehicles which are identical in outward appearance, but can be configured as either an LSV or a golf cart. The only difference between the configurations is internal gearing which provides for a 20 miles per hour maximum speed in the golf cart configuration and a 25 miles per hour maximum speed for the LSV model. With no outwardly apparent difference between the vehicles, law enforcement officers would be unable to ascertain whether a vehicle is required to be registered. Similarly, owners may be unaware of the need to title, register, and insure the vehicle, and unaware of the different allowable conditions under which the vehicle may be operated.

### **III. Effect of Proposed Changes:**

This bill creates s. 319.14(10), F.S., to authorize the conversion of a vehicle titled or branded and registered as an LSV to be converted to a golf cart pursuant to the following procedures:

- The owner of the converted vehicle must contact the DHSMV regional office to verify the conversion, surrender the registration plate and the current certificate of title, and pay a \$40 fee to cover the DHSMV's cost of verification and associated administrative costs.
- The owner of the converted vehicle must provide an affidavit to the DHSMV attesting that the vehicle has been modified to comply with the speed restrictions provided in s. 320.01(22), F.S., and acknowledging that the vehicle must be operated in accordance with s. 316.212, s. 316.2125, s. 316.2126, or s. 316.21265, F.S.
- Upon verification of the conversion, the DHSMV must note in the vehicle record that the LSV has been converted to a golf cart and cancel the certificate of title and the registration of the vehicle.
- The DHSMV must issue a decal reflecting the conversion of the vehicle to a golf cart, upon which is clearly legible the following text: "CONVERTED VEHICLE. Max speed 20 mph." The decal must be displayed on the rear of the vehicle, so that the decal is plainly visible.

The owner is no longer required to register the vehicle, display a license plate on the vehicle, or insure the vehicle. The vehicle operator is no longer required to have in his or her possession a valid driver license and a person 14 years of age or older may legally operate the vehicle in

accordance with s. 316.212, F.S. In order to qualify for the conversion and meet the definition of a “golf cart” under current law, the vehicle must no longer be capable of exceeding 20 miles per hour. If the vehicle, despite the administrative process provided in the bill, continues to be capable of exceeding 20 miles per hour, the vehicle does not qualify as a “golf cart,” remains an LSV as defined in current law, and must be titled, licensed, and insured. Further, the vehicle may only be operated pursuant to provisions governing LSVs.

Reclassification to a golf cart will result in the converted vehicle no longer being able to be legally operated on public roads as currently permitted under s. 316.2122, F.S. However, the converted vehicle could be legally driven on public roads authorized for golf carts. Further, as a golf cart, the converted vehicle (which may weigh up to 2,999 pounds) could share certain sidewalks with pedestrians when the sidewalk has been authorized for golf cart use.<sup>12</sup> For comparison, a 2012 Honda Civic has a curb weight of 2,617 pounds.

The DHSMV will verify the conversion of LSVs to golf carts on the basis of the affidavit signed by the owner of the vehicle verifying that the statements required by the bill and contained in the affidavit are true. Upon receipt of the affidavit, surrender of the title and registration, and payment of the fee, the DHSMV will cancel the certificate of title and the registration of the vehicle, remove the vehicle identification number from its records, and issue the required decal, without any independent verification of the vehicle’s capable speed. The owner of the converted vehicle must display the decal on the rear of the vehicle so that the decal is plainly visible.

#### **Other Potential Implications:**

The bill does not provide a process for owners of unregistered LSVs to convert their vehicles to a golf cart.

Converting an LSV for which a federal tax credit was taken may thwart the presumed purpose of the tax credit.

The potential severity of crashes between non-motorists (*e.g.*, bicyclists and pedestrians) and golf carts may be increased due to larger vehicles using sidewalks (where permitted) and other facilities generally reserved for non-motorized travel.

In those areas where golf carts may be legally operated on sidewalks and sidewalk areas, such facilities may be damaged by the larger converted vehicles, which can weigh up to 2,999 pounds.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

---

<sup>12</sup> *Id.* and s. 316.008(7), F.S.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Vehicle owners choosing to convert an LSV to a golf cart must pay the \$40 registration fee. The practical effect of a conversion is to eliminate the need to register and insure the vehicle. If conversion is desired due to loss of ability to obtain a driver license required for operation of an LSV, and if authorized operation of the converted golf cart meets the owner's mobility needs, the owner's mobility is preserved. Vehicle owners will incur expenses associated with modification of the vehicle to ensure it is incapable of exceeding speeds of 20 miles per hour.

C. Government Sector Impact:

The fiscal impact is indeterminate as there is no way to conclude how many of the 5,818 LSVs may be converted. However, there will be an indeterminate, but insignificant negative fiscal impact to both the General Revenue Fund and to the State Transportation Trust Fund as LSVs will no longer be subject to the annual vehicle license tax required in s. 320.08, F.S. The Highway Safety Operating Trust will see an indeterminate, but positive fiscal impact resulting from the \$40 administrative fee.

According to the DHSMV, its Information Systems Administration (ISA) will require approximately 93 hours, non-recurring, in order to implement the provisions of this bill. The DHSMV states that these hours can be incorporated into ISA's normal workload.<sup>13</sup>

Due to fewer vehicles being insured, potential property damage, personal injury, and fatalities may result in increased litigation costs and utilization of court system resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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<sup>13</sup> Department of Highway Safety and Motor Vehicles, *Agency Bill Analysis: SB 36*, (January 7, 2013, on file with the Senate Commerce and Tourism Committee).

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS/CS by Appropriations on March 7, 2013:**

The CS was amended to correct a statutory reference providing the definition of a golf cart.

**CS by Transportation on January 17, 2013:**

The CS requires the owner of a converted vehicle to submit a specified affidavit to the DHSMV, requires the DHSMV to issue a specified decal, and requires the owner of the vehicle to display the decal on the rear of the converted vehicle.

- B. **Amendments:**

None.



890780

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/07/2013	.	
	.	
	.	
	.	

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The Committee on Appropriations (Hays) recommended the following:

**Senate Amendment**

Delete line 195  
and insert:  
320.01(22) and acknowledging that the vehicle must be operated

By the Committee on Transportation; and Senator Hays

596-00753-13

201362c1

1 A bill to be entitled  
 2 An act relating to low-speed vehicles; amending s.  
 3 319.14, F.S.; authorizing the conversion of a vehicle  
 4 titled or branded and registered as a low-speed  
 5 vehicle to a golf cart; providing procedures;  
 6 requiring an affidavit; requiring the Department of  
 7 Highway Safety and Motor Vehicles to issue a decal;  
 8 providing specifications for the decal; providing for  
 9 a fee; providing an effective date.

10  
 11 Be It Enacted by the Legislature of the State of Florida:

12  
 13 Section 1. Section 319.14, Florida Statutes, is amended to  
 14 read:

15 319.14 Sale of motor vehicles registered or used as  
 16 taxicabs, police vehicles, lease vehicles, rebuilt vehicles,  
 17 nonconforming vehicles, custom vehicles, or street rod vehicles;  
 18 conversion of low-speed vehicles.-

19 (1) (a) A person may not knowingly offer for sale, sell, or  
 20 exchange any vehicle that has been licensed, registered, or used  
 21 as a taxicab, police vehicle, or short-term-lease vehicle, or a  
 22 vehicle that has been repurchased by a manufacturer pursuant to  
 23 a settlement, determination, or decision under chapter 681,  
 24 until the department has stamped in a conspicuous place on the  
 25 certificate of title of the vehicle, or its duplicate, words  
 26 stating the nature of the previous use of the vehicle or the  
 27 title has been stamped "Manufacturer's Buy Back" to reflect that  
 28 the vehicle is a nonconforming vehicle. If the certificate of  
 29 title or duplicate was not so stamped upon initial issuance

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

596-00753-13

201362c1

30 thereof or if, subsequent to initial issuance of the title, the  
 31 use of the vehicle is changed to a use requiring the notation  
 32 provided for in this section, the owner or lienholder of the  
 33 vehicle shall surrender the certificate of title or duplicate to  
 34 the department prior to offering the vehicle for sale, and the  
 35 department shall stamp the certificate or duplicate as required  
 36 herein. When a vehicle has been repurchased by a manufacturer  
 37 pursuant to a settlement, determination, or decision under  
 38 chapter 681, the title shall be stamped "Manufacturer's Buy  
 39 Back" to reflect that the vehicle is a nonconforming vehicle.

40 (b) A person may not knowingly offer for sale, sell, or  
 41 exchange a rebuilt vehicle until the department has stamped in a  
 42 conspicuous place on the certificate of title for the vehicle  
 43 words stating that the vehicle has been rebuilt or assembled  
 44 from parts, or is a kit car, glider kit, replica, flood vehicle,  
 45 custom vehicle, or street rod vehicle unless proper application  
 46 for a certificate of title for a vehicle that is rebuilt or  
 47 assembled from parts, or is a kit car, glider kit, replica,  
 48 flood vehicle, custom vehicle, or street rod vehicle has been  
 49 made to the department in accordance with this chapter and the  
 50 department has conducted the physical examination of the vehicle  
 51 to assure the identity of the vehicle and all major component  
 52 parts, as defined in s. 319.30(1), which have been repaired or  
 53 replaced. Thereafter, the department shall affix a decal to the  
 54 vehicle, in the manner prescribed by the department, showing the  
 55 vehicle to be rebuilt.

56 (c) As used in this section, the term:

57 1. "Police vehicle" means a motor vehicle owned or leased  
 58 by the state or a county or municipality and used in law

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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59 enforcement.

60 2.a. "Short-term-lease vehicle" means a motor vehicle  
61 leased without a driver and under a written agreement to one or  
62 more persons from time to time for a period of less than 12  
63 months.

64 b. "Long-term-lease vehicle" means a motor vehicle leased  
65 without a driver and under a written agreement to one person for  
66 a period of 12 months or longer.

67 c. "Lease vehicle" includes both short-term-lease vehicles  
68 and long-term-lease vehicles.

69 3. "Rebuilt vehicle" means a motor vehicle or mobile home  
70 built from salvage or junk, as defined in s. 319.30(1).

71 4. "Assembled from parts" means a motor vehicle or mobile  
72 home assembled from parts or combined from parts of motor  
73 vehicles or mobile homes, new or used. "Assembled from parts"  
74 does not mean a motor vehicle defined as a "rebuilt vehicle" in  
75 subparagraph 3., which has been declared a total loss pursuant  
76 to s. 319.30.

77 5. "Kit car" means a motor vehicle assembled with a kit  
78 supplied by a manufacturer to rebuild a wrecked or outdated  
79 motor vehicle with a new body kit.

80 6. "Glider kit" means a vehicle assembled with a kit  
81 supplied by a manufacturer to rebuild a wrecked or outdated  
82 truck or truck tractor.

83 7. "Replica" means a complete new motor vehicle  
84 manufactured to look like an old vehicle.

85 8. "Flood vehicle" means a motor vehicle or mobile home  
86 that has been declared to be a total loss pursuant to s.  
87 319.30(3)(a) resulting from damage caused by water.

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88 9. "Nonconforming vehicle" means a motor vehicle which has  
89 been purchased by a manufacturer pursuant to a settlement,  
90 determination, or decision under chapter 681.

91 10. "Settlement" means an agreement entered into between a  
92 manufacturer and a consumer that occurs after a dispute is  
93 submitted to a program, or an informal dispute settlement  
94 procedure established by a manufacturer or is approved for  
95 arbitration before the New Motor Vehicle Arbitration Board as  
96 defined in s. 681.102.

97 11. "Custom vehicle" means a motor vehicle that:

98 a. Is 25 years of age or older and of a model year after  
99 1948 or was manufactured to resemble a vehicle that is 25 years  
100 of age or older and of a model year after 1948; and

101 b. Has been altered from the manufacturer's original design  
102 or has a body constructed from nonoriginal materials.

103  
104 The model year and year of manufacture that the body of a custom  
105 vehicle resembles is the model year and year of manufacture  
106 listed on the certificate of title, regardless of when the  
107 vehicle was actually manufactured.

108 12. "Street rod" means a motor vehicle that:

109 a. Is of a model year of 1948 or older or was manufactured  
110 after 1948 to resemble a vehicle of a model year of 1948 or  
111 older; and

112 b. Has been altered from the manufacturer's original design  
113 or has a body constructed from nonoriginal materials.

114  
115 The model year and year of manufacture that the body of a street  
116 rod resembles is the model year and year of manufacture listed

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117 on the certificate of title, regardless of when the vehicle was  
118 actually manufactured.

119 (2) A person may not knowingly sell, exchange, or transfer  
120 a vehicle referred to in subsection (1) without, before  
121 consummating the sale, exchange, or transfer, disclosing in  
122 writing to the purchaser, customer, or transferee the fact that  
123 the vehicle has previously been titled, registered, or used as a  
124 taxicab, police vehicle, or short-term-lease vehicle, is a  
125 vehicle that is rebuilt or assembled from parts, is a kit car,  
126 glider kit, replica, or flood vehicle, or is a nonconforming  
127 vehicle, custom vehicle, or street rod vehicle, as the case may  
128 be.

129 (3) Any person who, with intent to offer for sale or  
130 exchange any vehicle referred to in subsection (1), knowingly or  
131 intentionally advertises, publishes, disseminates, circulates,  
132 or places before the public in any communications medium,  
133 whether directly or indirectly, any offer to sell or exchange  
134 the vehicle shall clearly and precisely state in each such offer  
135 that the vehicle has previously been titled, registered, or used  
136 as a taxicab, police vehicle, or short-term-lease vehicle or  
137 that the vehicle or mobile home is a vehicle that is rebuilt or  
138 assembled from parts, is a kit car, glider kit, replica, or  
139 flood vehicle, or is a nonconforming vehicle, custom vehicle, or  
140 street rod vehicle, as the case may be. A person who violates  
141 this subsection commits a misdemeanor of the second degree,  
142 punishable as provided in s. 775.082 or s. 775.083.

143 (4) If a certificate of title, including a foreign  
144 certificate, is branded to reflect a condition or prior use of  
145 the titled vehicle, the brand must be noted on the registration

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201362c1

146 certificate of the vehicle and such brand shall be carried  
147 forward on all subsequent certificates of title and registration  
148 certificates issued for the life of the vehicle.

149 (5) A person who knowingly sells, exchanges, or offers to  
150 sell or exchange a motor vehicle or mobile home contrary to this  
151 section or any officer, agent, or employee of a person who  
152 knowingly authorizes, directs, aids in, or consents to the sale,  
153 exchange, or offer to sell or exchange a motor vehicle or mobile  
154 home contrary to this section commits a misdemeanor of the  
155 second degree, punishable as provided in s. 775.082 or s.  
156 775.083.

157 (6) A person who removes a rebuilt decal from a rebuilt  
158 vehicle with the intent to conceal the rebuilt status of the  
159 vehicle commits a felony of the third degree, punishable as  
160 provided in s. 775.082, s. 775.083, or s. 775.084.

161 (7) This section applies to a mobile home, travel trailer,  
162 camping trailer, truck camper, or fifth-wheel recreation trailer  
163 only when the mobile home or vehicle is a rebuilt vehicle or is  
164 assembled from parts.

165 (8) A person is not liable or accountable in any civil  
166 action arising out of a violation of this section if the  
167 designation of the previous use or condition of the motor  
168 vehicle is not noted on the certificate of title and  
169 registration certificate of the vehicle which was received by,  
170 or delivered to, such person, unless the person has actively  
171 concealed the prior use or condition of the vehicle from the  
172 purchaser.

173 (9) Subsections (1), (2), and (3) do not apply to the  
174 transfer of ownership of a motor vehicle after the motor vehicle

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175 has ceased to be used as a lease vehicle and the ownership has  
 176 been transferred to an owner for private use or to the transfer  
 177 of ownership of a nonconforming vehicle with 36,000 or more  
 178 miles on its odometer, or 34 months whichever is later and the  
 179 ownership has been transferred to an owner for private use. Such  
 180 owner, as shown on the title certificate, may request the  
 181 department to issue a corrected certificate of title that does  
 182 not contain the statement of the previous use of the vehicle as  
 183 a lease vehicle or condition as a nonconforming vehicle.

184 (10) (a) A vehicle titled or branded and registered as a  
 185 low-speed vehicle may be converted to a golf cart pursuant to  
 186 the following:

187 1. The owner of the converted vehicle must contact the  
 188 regional office of the department to verify the conversion,  
 189 surrender the registration license plate and the current  
 190 certificate of title, and pay the appropriate fee established  
 191 under paragraph (b).

192 2. The owner of the converted vehicle must provide an  
 193 affidavit to the department attesting that the vehicle has been  
 194 modified to comply with the speed restrictions provided in s.  
 195 320.01(42) and acknowledging that the vehicle must be operated  
 196 in accordance with s. 316.212, s. 316.2125, s. 316.2126, or s.  
 197 316.21265.

198 3. Upon verification of the conversion, the department  
 199 shall note in the vehicle record that the low-speed vehicle has  
 200 been converted to a golf cart and shall cancel the certificate  
 201 of title and registration of the vehicle.

202 (b) The department shall establish a fee of \$40 to cover  
 203 the cost of verification and associated administrative costs for

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204 carrying out its responsibilities under this subsection.

205 (c) The department shall issue a decal reflecting the  
 206 conversion of the vehicle to a golf cart, upon which is clearly  
 207 legible the following text: "CONVERTED VEHICLE. Max speed 20  
 208 mph." The decal must be displayed on the rear of the vehicle, so  
 209 that the decal is plainly visible.

210 Section 2. This act shall take effect July 1, 2013.



The Florida Senate  
**Committee Agenda Request**

**To:** Senator Joe Negron, Chair  
Committee on Appropriations

**CC:** Mike Hansen, Staff Director  
Ann Roberts, Administrative Assistant  
Alicia Weiss, Administrative Assistant

**Subject:** Committee Agenda Request

**Date:** February 20, 2013

SENT TO: CHAIR  
STAFF DIR. STAFF

13 FEB 20 PM 12:42

SENATE APPROPRIATIONS  
RECEIVED

I respectfully request that **Senate Bill #62**, relating to Low-Speed Vehicles, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

\_\_\_\_\_  
Senator Alan Hays  
Florida Senate, District 11  
320 Senate Office Building  
(850) 487-5011

File signed original with committee office

**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 Appropriations

BILL: SB 352

INTRODUCER: Senator Hays

SUBJECT: Lake-Sumter Community College

DATE: March 7, 2013

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Graf	Klebacha	ED	<b>Favorable</b>
2.	Elwell	Hansen	AP	<b>Favorable</b>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

SB 352 codifies the name of Lake-Sumter State College.

Changing the name of Lake-Sumter Community College to Lake Sumter State College will have a small, manageable impact on the budget of the college.

The effective date of the bill is July 1, 2013.

The bill amends sections 288.8175 and 1000.21, Florida Statutes.

**II. Present Situation:**

A Florida College System (FCS) institution is authorized to change the institution’s name, with the approval of that FCS institution’s district board of trustees, and use the designation “college” or “state college” if the institution:<sup>1</sup>

- Is authorized to grant baccalaureate degrees in accordance with current law<sup>2</sup>; and
- Is accredited as a baccalaureate-degree-granting institution by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS).

If, however, an FCS institution is not authorized to grant baccalaureate degrees and is not accredited as a baccalaureate-degree-granting institution by the SACS, the FCS institution may

<sup>1</sup> Section 1001.60(2)(b)1., F.S.

<sup>2</sup> Section 1007.33, F.S.

request approval from the State Board of Education (SBE) to change the institution's name and use the designation "college" after receiving approval for the change from that institution's district board of trustees. The SBE is authorized to approve the name change if the institution enters into an agreement with the SBE to do the following:<sup>3</sup>

- Maintain as its primary mission responsibility for responding to community needs for postsecondary academic education and career degree education;<sup>4</sup>
- Maintain an open-door admissions policy for associate-level degree programs and workforce education programs;
- Continue to provide outreach to underserved populations;
- Continue to provide remedial education; and
- Comply with all provisions of the statewide articulation agreement adopted by the SBE that relate to 2-year and 4-year public degree-granting institutions .<sup>5</sup>

Lake-Sumter Community College meets the criteria, under current law, for approval of the name change:

- On March 27, 2012, the SBE approved Lake-Sumter Community College granting a Bachelor of Applied Science degree in Organizational Management.<sup>6</sup>
- On June 19, 2012, Lake-Sumter Community College's district board of trustees approved changing the name of Lake-Sumter Community College to Lake-Sumter State College.<sup>7</sup>
- On June 21, 2012, the SACS granted accreditation to Lake-Sumter Community College as a baccalaureate-degree-granting institution.<sup>8</sup>

An FCS institution's district board of trustees that approves a change of the institution's name must seek statutory codification of the name change in law<sup>9</sup> during the next regular legislative session.<sup>10</sup>

Currently, there are 28 FCS institutions. Twenty-three of the 28 FCS institutions are accredited by the SACS as baccalaureate-degree-granting institutions.<sup>11</sup> They are:<sup>12</sup>

<sup>3</sup> Section 1001.60(2)(b)2., F.S.

<sup>4</sup> Section 1004.65(5), F.S.

<sup>5</sup> Section 1007.23, F.S.

<sup>6</sup> Florida Department of Education, *2013 Agency Legislative Bill Analysis for SB 352* (Jan. 31, 2013), on file with the Committee on Education staff; *see also* State Board of Education, *Meeting Minutes (March 27, 2012)*, available at [http://www.fldoe.org/board/meetings/2012\\_07\\_17/minutes.pdf](http://www.fldoe.org/board/meetings/2012_07_17/minutes.pdf).

<sup>7</sup> Florida Department of Education, *2013 Agency Legislative Bill Analysis for SB 352* (Jan. 31, 2013), on file with the Committee on Education staff; *see also* Lake-Sumter Community College, *District Board of Trustees Meeting Minutes (June 19, 2012)*, available at <http://www.lsc.edu/community/Documents/DBOT/2012/061912board.pdf>.

<sup>8</sup> Florida Department of Education, *2013 Agency Legislative Bill Analysis for SB 352* (Jan. 31, 2013), on file with the Committee on Education staff; *see also* Southern Association of Colleges and Schools, *Actions taken by the SACSCOC Board of Trustees (June 21, 2012)*, available at <http://www.sacscoc.org/2012%20June%20Actions%20and%20Disclosure%20Statements/12cract%20june.pdf>.

<sup>9</sup> Section 1000.21(3), F.S.

<sup>10</sup> Section 1001.60(2)(c), F.S.

<sup>11</sup> Florida Department of Education, *Community College Campuses*, <http://data.fldoe.org/workforce/contacts/default.cfm?action=showList&ListID=11> (last visited Feb. 13, 2013).

<sup>12</sup> E-mail, Florida Department of Education, Division of Florida Colleges (Feb. 12, 2013), on file with the Committee on Education staff.

1. Brevard Community College
2. Broward College
3. Chipola College
4. College of Central Florida
5. Daytona State College
6. Edison State College
7. Florida Gateway College
8. Florida State College at Jacksonville
9. Gulf Coast State College
10. Indian River State College
11. Lake-Sumter Community College
12. Miami Dade College
13. Northwest Florida State College
14. Palm Beach State College
15. Pensacola State College
16. Polk State College
17. Santa Fe College
18. Seminole State College of Florida
19. St. Johns River State College
20. St. Petersburg College
21. South Florida State College
22. State College of Florida, Manatee-Sarasota
23. Valencia College

Of the 23 FCS institutions accredited as baccalaureate-degree-granting institutions: 21 institutions use the designation “state college” or “college; 13 FCS institutions use the designation “state college;” and 8 FCS institutions use the designation “college.” Brevard Community College is in the process of changing its name to use the designation “state college.” The 5 FCS institutions not accredited as baccalaureate-degree-granting institutions by the SACCS that have not changed name to use the designation “state college” or “college” are:<sup>13</sup>

1. Florida Keys Community College
2. Hillsborough Community College
3. North Florida Community College
4. Pasco-Hernando Community College
5. Tallahassee Community College

### **III. Effect of Proposed Changes:**

The bill codifies the name of Lake-Sumter State College.

The bill provides an effective date of July 1, 2013.

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<sup>13</sup> E-mail, Florida Department of Education, Division of Florida Colleges (Feb. 12, 2013), on file with the Committee on Education staff; *see also* Florida Department of Education, *Community College Campuses*, <http://data.fldoe.org/workforce/contacts/default.cfm?action=showList&ListID=11> (last visited Feb. 13, 2013).

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The primary costs to make the name change by the college relate to signage and are small in relation to the college's overall budget. Other costs may be associated with publications, documentation, and similar related items. This retitling will occur as current supplies are depleted and new documents are printed. Payment of all such costs are manageable within the Lake-Sumter State College budget.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

## A. Committee Substitute – Statement of Substantial Changes:

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

None.

## B. Amendments:

None.

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

---

By Senator Hays

11-00161-13

2013352\_\_

1                   A bill to be entitled  
2           An act relating to Lake-Sumter Community College;  
3           amending ss. 288.8175 and 1000.21, F.S.; renaming  
4           Lake-Sumter Community College as "Lake-Sumter State  
5           College"; providing an effective date.  
6  
7   Be It Enacted by the Legislature of the State of Florida:  
8  
9           Section 1. Paragraph (j) of subsection (4) of section  
10   288.8175, Florida Statutes, is amended to read:  
11           288.8175 Linkage institutes between postsecondary  
12   institutions in this state and foreign countries.-  
13           (4) The institutes are:  
14           (j) Florida-Eastern Europe Institute (University of Central  
15   Florida and Lake-Sumter State ~~Lake-Sumter Community~~ College).  
16           Section 2. Paragraph (m) of subsection (3) of section  
17   1000.21, Florida Statutes, is amended to read:  
18           1000.21 Systemwide definitions.-As used in the Florida K-20  
19   Education Code:  
20           (3) "Florida College System institution" except as  
21   otherwise specifically provided, includes all of the following  
22   public postsecondary educational institutions in the Florida  
23   College System and any branch campuses, centers, or other  
24   affiliates of the institution:  
25           (m) Lake-Sumter State ~~Community~~ College, which serves Lake  
26   and Sumter Counties.  
27           Section 3. This act shall take effect July 1, 2013.



The Florida Senate

## Committee Agenda Request

**To:** Senator Joe Negron, Chair  
Appropriations

**CC:** Mike Hansen, Staff Director  
Ann Roberts, Administrative Assistant

**Subject:** Committee Agenda Request

**Date:** February 19, 2013

SENATE APPROPRIATIONS  
RECEIVED  
13 FEB 19 PM 3:44  
STAFF TO CHAIRMAN  
STAFF DIR. STAFF

---

I respectfully request that **Senate Bill #352**, relating to Lake-Sumter Community College, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink that reads "Alan Hays".

---

Senator Alan Hays  
Florida Senate, District 11  
320 Senate Office Building  
(850) 487-5011

# CourtSmart Tag Report

Room: KN 412

Caption: Senate Appropriations Committee

Case:

Judge:

Type:

Started: 3/7/2013 2:04:28 PM

Ends: 3/7/2013 2:23:36 PM Length: 00:19:09

2:04:28 PM Senator Negron, Chair  
2:05:21 PM Sen. Latvala  
2:05:56 PM S 328  
2:06:48 PM Sen. Negron  
2:06:55 PM Am. 731830  
2:07:12 PM Sen. Negron  
2:07:31 PM S 328  
2:07:43 PM Sen. Bean  
2:07:59 PM Sen. Bradley  
2:08:10 PM Sen. Negron  
2:08:21 PM Sen. Latvala  
2:08:30 PM Sen. Negron  
2:08:58 PM Sen. Detert  
2:09:25 PM S 224  
2:09:53 PM PCS 293958  
2:09:58 PM Sen. Detert  
2:10:44 PM Sen. Negron  
2:10:54 PM Am. 870732  
2:11:03 PM Sen. Gardiner  
2:11:35 PM Sen. Negron  
2:11:46 PM Am. 959328  
2:11:53 PM Sen. Detert  
2:12:25 PM Sen. Negron  
2:12:47 PM Brian Pitts, Trustee, Justice 2 Jesus  
2:16:20 PM Sen. Negron  
2:16:25 PM Michael Myhre, Interim State Director, Florida Small Business Development Center Network  
2:16:42 PM Sen. Detert  
2:17:05 PM Sen. Negron  
2:17:09 PM Sen. Benacquisto  
2:18:14 PM S 62  
2:18:18 PM Sen. Gardiner  
2:18:27 PM Sen. Hays  
2:18:52 PM Sen. Negron  
2:18:56 PM Am. 890780  
2:19:11 PM Sen. Hays  
2:19:15 PM Sen. Negron  
2:19:48 PM S 352  
2:20:18 PM Sen. Hays  
2:20:28 PM Sen. Negron  
2:22:55 PM Sen. Bradley  
2:23:26 PM Sen. Negron  
2:23:37 PM



# THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**COMMITTEES:**  
Judiciary, *Chair*  
Appropriations Subcommittee on Health  
and Human Services  
Appropriations Subcommittee on Transportation,  
Tourism, and Economic Development  
Banking and Insurance  
Ethics and Elections  
Gaming  
Rules  
Transportation

**SENATOR TOM LEE**  
*Deputy Majority Leader*  
24th District

March 7, 2013

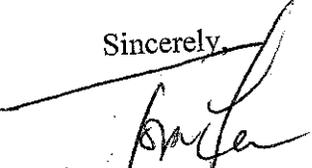
Chairman Joe Negron  
412 Senate Office Building  
404 South Monroe St.  
Tallahassee, FL 32399

Dear Chairman Negron,

I respectfully request to be excused from the Appropriations meeting on March 7, 2013 due to meetings with constituents from my District.

Thank you for your consideration.

Sincerely,

  
Tom Lee  
Senator, District 24



Cc Mike Hansen

REPLY TO:  
 915 Oakfield Drive, Suite D, Brandon, Florida 33511 (813) 653-7061  
 418 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5024

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**DON GAETZ**  
President of the Senate

**GARRETT RICHTER**  
President Pro Tempore