

**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.)

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Prepared By: The Professional Staff of the Committee on Community Affairs

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BILL: SB 1510

INTRODUCER: Senator Simmons

SUBJECT: Trust Funds/Safe Neighborhood Improvement District Revolving Loan Trust  
Fund/Department of Legal Affairs

DATE: April 1, 2019

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Peacock	Yeatman	CA	<b>Pre-meeting</b>
2.	_____	_____	ACJ	_____
3.	_____	_____	AP	_____

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**I. Summary:**

SB 1510 creates the Safe Neighborhood Improvement District Revolving Loan Trust Fund within the Department of Legal Affairs to provide loans to safe neighborhood improvement districts that meet criteria established under the Safe Neighborhood Improvement District Revolving Loan Program in SB 1508.

The Florida Constitution requires a bill creating a new trust fund to pass by a three-fifths vote of the membership of each chamber of the Legislature. State trust funds must terminate not more than four years after the effective date of the bill authorizing the initial creation of the trust fund unless the Legislature sets a shorter time.

The bill provides that it shall take effect on the same date that SB 1508 or similar legislation takes effect, if such legislation is adopted in the same session and becomes law. SB 1508 takes effect upon becoming a law.

**II. Present Situation:**

**Safe Neighborhoods Act**

Part IV of ch. 163, F.S., is known as the "Safe Neighborhoods Act." The intent of the Act is to:

- Guide and accomplish the coordinated, balanced, and harmonious development of safe neighborhoods;
- Promote the health, safety, and general welfare of these areas and their inhabitants, visitors, property owners, and workers;
- Establish, maintain, and preserve property values and preserve and foster the development of attractive neighborhoods and business environments;
- Prevent overcrowding and congestion;

- Improve or redirect traffic and provide pedestrian safety;
- Reduce crime rates and the opportunities for the commission of crime; and
- Provide improvements in neighborhoods so they are defensible against crime.<sup>1</sup>

Section 163.503(1), F.S., defines the term “safe neighborhood improvement district” (SNID) or “neighborhood improvement district” to mean:

A district located in an area in which more than 75 percent of the land is used for residential purposes, or in an area in which more than 75 percent of the land is used for commercial, office, business, or industrial purposes, excluding the land area used for public facilities, and where there is a plan to reduce crime through the implementation of crime prevention through environmental design, environmental security or defensible space techniques, or through community policing innovations.

The Safe Neighborhoods Act allows county or municipal governing bodies to create SNIDs through the adoption of a planning ordinance. Each SNID that is established is required to register within 30 days with both the Department of Economic Opportunity (DEO) and the Department of Legal Affairs (DLA) and provide the name, location, size, type of SNID, and such other information that the departments may require.<sup>2</sup> Under current law, there are four types of SNIDs:

- Local government SNIDs;
- Property owners’ association SNIDs;
- Community redevelopment SNIDs; and
- Special SNIDs, which are further classified as either residential or business.<sup>3</sup>

As of March 29, 2019, there are 26 active SNIDs in the state of Florida.<sup>4</sup> Twenty-three of these are local government SNIDs; two are special residential SNIDs; and one is classified as a property owners’ association SNID.

### **SB 1508 Safe Neighborhood Improvement District Revolving Loan Program**

SB 1508, which is linked to SB 1510, creates the Safe Neighborhood Improvement District Revolving Loan Program. Under the program, the DLA may provide loan guarantees, purchase loan insurance, and refinance local debt through the issuance of new loans for projects that are in the plans of a SNID. The DLA must set aside 15 percent of the amounts credited to the Safe Neighborhood Improvement District Revolving Loan Trust Fund for small SNIDs.

In order to be eligible for a loan under the program, the qualified electors of the SNID must approve the use of revolving loans by referendum.

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<sup>1</sup> See s. 163.502(3), F.S.

<sup>2</sup> Section 163.5055(1)(a), F.S.

<sup>3</sup> See ss. 163.506-163.512, F.S.

<sup>4</sup> Florida Department of Economic Opportunity, Division of Community Development, *Official List of Special Districts Online*, available at <http://specialdistrictreports.floridajobs.org/webreports/mainindex.aspx> (last visited March 29, 2019).

The bill also provides for audits of the loan projects upon completion, the investment of unused funds, and a process by which to handle defaults of the loan projects.

The DLA must prepare a report at the end of each fiscal year which details the financial assistance provided, service fees collected, interest earned, and loans outstanding and provide the report to the appropriations committees in the Senate and the House of Representatives.

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

**Section 1** creates the Safe Neighborhood Improvement District Revolving Loan Trust Fund within the Department of Legal Affairs to provide loans to safe neighborhood improvement districts that meet the criteria established under s. 163.5161, F.S., for projects contained in crime prevention plans submitted by such districts.

Notwithstanding s. 216.301, F.S., and pursuant to s. 216.351, F.S., any balance in the trust fund at the end of any fiscal year must remain in the trust fund at the end of the year and must be available for carrying out the purposes of the trust fund.

In accordance with s. 19(f)(2), Art. III of the State Constitution, the trust fund must, unless terminated sooner, be terminated on July 1, 2023. Before its scheduled termination, the trust fund must be reviewed as provided in s. 215.3206(1) and (2), F.S.

**Section 2** provides that this act shall take effect on the same date that SB 1508 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law. SB 1508 takes effect upon becoming a law.

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

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

None.

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

None.

#### **C. Trust Funds Restrictions:**

Article III, s. 19(f)(1) of the State Constitution requires a bill that creates or re-creates a trust fund to pass by three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

#### **D. State Tax or Fee Increases:**

None.

#### **E. Other Constitutional Issues:**

None identified.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates section 163.5162 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.