Meeting Agenda
Florida Blockchain Task Force
February 21, 2020
9:00 a.m. – 11:30 a.m.

110 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

I. Introduction
II. Adoption of Minutes
III. Presentation: Florida Institute of Certified Public Accountants
IV. Legislative Update
V. Discussion of Final Report
VI. Open Discussion
VII. Other Business & Public Testimony
VIII. Adjourn

For information regarding this meeting, please contact Meredith Stanfield with the Department of Financial Services at (850) 413-2890 or Blockchain@MyFloridaCFO.gov.

Visit the Florida Blockchain Task Force website here.
TAB 1

Adoption of Minutes
Florida Blockchain Task Force Meeting  
Meeting Date: December 13, 2019  
110 Senate Office Building  
404 South Monroe Street  
Tallahassee, Florida

Agenda
I. Introduction
II. New Member Introductions
III. Adoption of Minutes
IV. Presentation: Industry Applications of Blockchain Technology
V. Presentation: Identifying the Technical Skills to Develop Blockchain Technology in Secondary and Post-secondary Institutions
VI. Presentation: Opportunities/Risks Presented by Blockchain Technology in Local and State Governments
VII. Open Discussion
VIII. Other Business & Public Testimony
IX. Adjourn

Call to Order at 1:01 p.m.
Meeting called to order and welcome by Chair Ron Brisé

Roll Call at 1:02 p.m.
Roll was called at 1:02 p.m. by task force staff

Members present:
Commissioner Altmaier  
Ron Brisé  
Charles Ghini  
Jason Holloway  
Director Ken Lawson  
Brad Levine  
Gary Ruderman

Members Excused:
Woody Pollack  
Director Terry Rhodes  
Secretary Jonathan Satter

I. Introduction at 1:02 p.m.

Chair Brisé introduced the content of the agenda, including: studying projects and cases from other state and local governments to improve the system in the state of Florida; identifying the technical skills
to develop blockchain technology in secondary and post-secondary institutions; and opportunities/risks presented by blockchain technology.

II. **New Member Introductions** at 1:03

New task force members were asked to introduce themselves, comment on their professional background, their interest in blockchain technology, and what they hope to gain from the work of the task force. The following provides summary comments from members.

- Commissioner Altmaier introduced himself and shared his excitement for being on The Florida Blockchain Task Force. The Commissioner spoke about the insurance industry’s interest in this emerging technology. He said that he will keep that, as well as his regulatory perspective, in mind to add to the work of the task force.
- Mr. Jason Holloway introduced himself and shared his background with the Florida legislature. He described his experience in digital currencies and with a blockchain think-tank.
- Mr. Brad Levine introduced himself and shared his background as a technology entrepreneur. He described his experience with technology and how it progresses from ideas to implementation into society. He explained his excitement of being on this task force through different lenses, including his role with Florida Atlantic University, where he is on the Board of Trustees.
- Mr. Gary Ruderman described his 25 years of experience as a certified public accountant and how he hopes to use his background to help this task force.

III. **Adoption of Minutes** at 1:08 p.m.

Members were provided with the meeting minutes in advance of the meeting to allow time for review. There was a motion from Vice Chair Ken Lawson to adopt the minutes, and a second by Mr. Charles Ghini. The minutes were adopted.

**Motion to Adopt Minutes by Vice Chair Ken Lawson, Second by Charles Ghini**

Vote: All in favor, 0 opposed
Resolved: Motion carried

IV. **Presentation: Industry Applications of Blockchain Technology**

**Pete Teigen – IBM Services** at 1:09 p.m.

Teigen illustrated a world where blockchain technology has been implemented into the government sector and explained the net benefits from this system. He then described the three main questions with blockchain: whether blockchain technology is the best solution to the problem, addressing the nature of blockchain and how it is a “team sport” instead of a centralized authority, and describing the need for trust in reference to blockchain. Teigen showed IBM’s involvement with the food industry using blockchain technology by explaining the improvements to the industry after implementing blockchain technology. He then described how North Carolina used the blockchain technology to improve an active shooter situation.
V. Presentation: Identifying the Technical Skills to Develop Blockchain Technology in Secondary and Post-Secondary Institutions

**Dr. Buvaneshwaran (Eshwar) Venugopal – University of Central Florida at 1:45 p.m.**

Dr. Eshwar’s presentation was a summary of the current and hopeful programs at UCF referring to FinTech and Blockchain. Various levels of degrees are available from undergraduate to masters in the FinTech field. He explained that UCF is dedicated to research and getting students involved with blockchain technology. He then answered a question task force member Gary Ruderman.

Q1: Gary Ruderman asked if getting approval for coursework was slowing down Dr. Eshwar and how he keeps the content relevant.

Answer: Dr. Eshwar stated that they update the course every year and it just means he must work harder.

**Dr. Kaushik Dutta/ Dr. Shivendu Shivendu – University of South Florida at 1:59 p.m.**

Dr. Dutta presented the background of himself and his colleague Dr. Shivendu. Dr. Dutta began by explaining how Blockchain at USF began. He then discussed the different Blockchain initiatives at USF currently. Dr. Dutta finished by describing the hopeful futures of Blockchain at USF.

Dr. Shivendu presented the key technology pillars of blockchain, the different opportunities it produces, and the need for collaborative efforts. Shivendu argued that the pillars of blockchain solves problems relating to consistency and validation of data. He began to explain the implementation of blockchain into the current and future workforces and how blockchain provides new opportunities to them. Finally, he introduced the topic of coordinated efforts in which he described the need for expansion of resources in the field as well as some governmental leverage to propel society into a more efficient future.

**Ken Baldauf – Florida State University at 2:27 p.m.**

Ken Baldauf presented the many different research projects going on at FSU. He described a trip that FSU takes to IBM’s conference referring to blockchain. FSU sends students to this conference to spark interest and to expand their understanding of blockchain. He also referred to many of the student’s research projects that relate to the effects of blockchain on different institutions.

**Dr. Mark Jamison – University of Florida at 2:35 p.m.**

Dr. Jamison began by emphasizing Florida’s comparative advantages and how blockchain should be used to accelerate production in those areas. Dr. Jamison argued that the way to integrate blockchain effectively into these areas is to change the legal framework, governmental applications, and entrepreneurial climate. He then discussed the world leaders in use of blockchain. He listed countries such as Estonia, Bermuda, Catalonia, China, and more to describe the ways these countries are using blockchain effective. Dr. Jamison continued by addressing the university roles in blockchain use. He stated that research is UF’s top priority regarding blockchain. Dr. Jamison predicted that blockchain will be an instrumental part of the next greatest innovate breakthrough.
Questions After the Presentations:

Q1: Vice-Chair Ken Lawson asked how the universities are collaborating and trying to leverage each other in terms of research on blockchain.

Answer: Dr. Jamison and Ken Baldauf described the relationship between universities in terms of research and innovation sharing.

Q2: Brad Levine asked if there is any way to collaborate and incorporate blockchain within the university system and used an example like the student ledger system.

Answer: Dr. Kaushik Dutta answered that blockchain can be used to ease the complications with students that come from many different institutions. He also explained how the screening process for hiring purposes could be improved using blockchain.

Q3: Brad Levine asked if there were people on the panel that could use their university and its resources to be the catalyst for a multi-university project.

Answer: Dr. Kaushik Dutta stated that with the proper incentives and resources it could be done. Dr. Eshwar added that there are collaborative efforts to keep track of student scores using blockchain. Jason Holloway added that perhaps diplomas could potentially be dispersed using blockchain. Dr. Jamison stated that he could fully commit to a project, but the University would not endorse it. Brad Levine disagreed with Dr. Jamison’s remarks and said that with his experience at FAU he could see it working.

Q4: Commissioner Altmaier asked what kind of career students who graduate from these blockchain programs could expect.

Answer: Dr. Shivendu answered that after the last three semesters he had two students working in the field with a couple more hoping to get into the field. Shivendu explained the complex and difficult nature of translating these degrees into careers because of the nature of blockchain technology in relation to business.

Q5: Robin Westcott asked if any on the panel had looked into colleges that are heavily dependent on data from both public and private sector to find consortiums or what consortiums would make good targets for those colleges.

Answer: Dr. Eshwar answered that the need to get data in the blockchains to talk to each other is important, which means buying information from both the public and private sector. Dr. Jamison added that Florida has data collection infrastructure for hurricanes that could use blockchain technology to help share that data. He added to say that UF is working with businesses and entrepreneurs to aid in the relationship of their student’s hopeful future employers.

Q6: Chair Ron Brisé asked if the Academic panel had any recommendations for the task force panel.

Answer: Dr. Shivendu stated that having a department or task force to take initiative on this project would build confidence and kickstart the project in an effective way. Ken Baldauf answered that the
vision of collaborative work between universities would be ideal. Dr. Jamison stated that governmental initiative and leadership using resources would be an effective way to insert blockchain in Florida.

**Student Experience on Blockchain:** at 3:08 p.m.

In a video, UCF student Cooper Skat described his interest in UCF’s FinTech program and how it has allowed the blend of finance and technology. In his opinion, it is easier for an IT major to learn business than for a business major to learn IT. FinTech has improved the existing finance programs as well as building bridges between finance and computer science majors.

FSU students Mario and Sean shared their experience with blockchain and reasons for wanting to pursue the field of knowledge and careers. Mario is a self-taught blockchain programmer and is excited that blockchain is being discussed. Sean has experience in the engineering field and hopes to use blockchain to identify and prevent counterfeit and fault.

**Questions for the Students:**

Q1: Commissioner Altmaier asked what it was about blockchain that made the students decide to study blockchain and potentially pursue a career in the field.

Answer: Sean answered that the potential for this new technology is undiscovered and the amount of resources and time that is required on the research side is a challenge but, he does not regret it.

Mario then responded by suggesting that he thinks that in the next 5-10 years, all new industries will utilize blockchain. They believe that this is a good opportunity to get involved in an emerging technology.

Q2: Vice-Chair Ken Lawson asked if the students had any recommendations on how to set up future students for better understanding blockchain.

Answer: Sean answered that building bridges between different fields of study would be the best thing for the progression of blockchain in different fields.

Mario answered that skepticism in the media has been detrimental and that a base level of understanding is important to setting up the future students.

Q3: Jason Holloway asked if the students believe that more collaboration between businesses and the university would be beneficial to the progression of blockchain.

Answer: Sean answered yes and explained that this is a safer way for students to enter the field. If the students can see how blockchain is being applied in the different industries, then they can have confidence in trying to find a career.

**VI. Presentation: Looking at Opportunities/Risks Presented by Blockchain Technology**

*Charles Ghini – Florida Blockchain Task Force Member at 3:20 p.m.*
Charles Ghini first tackled the question “Why is blockchain significant?” He explained the nature of blockchain and how it has a great track record of not crashing or being hacked. He then discussed that the social relevance will add to blockchain’s significance. Ghini further described the similarities between blockchain and the internet, Linux, and Open source. He then began to relate the risks of Open source to the risks of blockchain. The responsibility of security is at question with blockchain Ghini stated as well, society needs to be careful not to judge technology in its early forms. He transitioned to the duties of the State through blockchain’s progression. The State should: be a good customer and active participant, be a consume rand provider, participate in private blockchain, determine what will be helpful for citizens, and strive for homogenous governance. Ghini concluded by briefly summarizing his opportunities and risks related to blockchain. His opportunities included openness to new technology, consolidation and coordination with the state, and participation in the development of blockchain. Ghini’s believed some of the risks involved with blockchain include acting individually, failing to take risks, and if the state forgets its responsibilities then it could be detrimental.

Questions on Charles’ Presentation at 3:35 p.m.

Q1: Brad Levine asked for the level of bureaucracy required for handling blockchain effectively.

Answer: Ghini responded that the State should be the catalyst and should light the fuse initially. He believed a good way to demonstrate and experiment would be to take an effective agency or department and apply blockchain technology to it and see the effects of blockchain on the production in the department.

Robin Westcott added that she thinks it is important that the state identify and study/implement blockchain technology into Florida’s successful industries.

Ghini agreed with Westcott and then explained that the line on when and how the State should get involved is still undefined and needs to be addressed.

Q2: Jason Holloway asked if there were any system that Ghini sees that should implement blockchain technology in their field.

Answer: Ghini stated that he would pick a system that already produces effectively and apply blockchain to it because you eliminate risk in case it fails since the system’s old mechanism is effective. He also argued that the State has an important issue with master data management. Choosing a system that can address that problem would be an ideal candidate to utilize the technology.

Presentation Looking at Opportunities/Risks Presented by Blockchain Technology at 3:40 p.m.

Dr. Shivendu began his presentation by addressing the idea that governments too can be customers of innovation and the State should explore blockchain as an investor, facilitator, and regulator.

VII. Open Discussion at 3:45 p.m.

The floor was opened for additional comments from members.

Jason Holloway suggested that the next meeting address some different fields for application of blockchain.
Robin Westcott suggested that the task force assemble a design thinking exercise.

Brad Levine suggested having the meeting in South Florida as well because of the additional interests the southern counties have.

Charles Ghini suggested the importance of the government keeping the momentum in the long-term for the state being involved.

VIII. Other Business and Public Testimony at 3:50 p.m.

Samuel Armes, who is the President of the Florida Blockchain Business Association, believed that in terms of education - Middle and High School students cannot be left out. Armes suggested that they are the ones who will be using the technology and that the best thing for universities to do is partner with the private industry. He also argued that educating investors is important. Armes also believed incubators are very important. Incubators need to be empowered and lead to implement blockchain.

Q1: Charles Ghini asked Armes to clarify what kind of investors he is talking about.

Answer: Samuel Armes said that it is mostly the businesses who are the investors. Investors who aren’t educated on blockchain are less likely to invest in it, which creates a need to educate investors.

Vice-Chair Ken Lawson suggested that the task force have a presentation regarding this industry in terms of development. He also suggested universities to use some of the federal funding to invest in a regional project regarding blockchain.

Jason Holloway explained that the task force need not forget about FinTech, because Florida is losing FinTech investors too.

IX. Adjourned at 3:58 p.m.
TAB 2

Presentation: Florida Institute of Certified Public Accountants

Presenter: Brendan Abbott
Senior Manager, Government and Public Services
Deloitte Consulting

Florida Blockchain Task Force
Florida Blockchain Task Force: Can blockchain facilitate more efficient and effective citizen services?

Brendan Abbott, Senior Manager, Deloitte
Feb 21, 2020
Blockchain is bigger & closer than you think!

Deloitte's latest edition of our annual survey of over 1,000 blockchain-savvy executives from across industries and global regions indicates further interest and planned investment in Blockchain-related initiatives.

Deloitte 2019 survey of senior executives

- **53%** consider blockchain as a top 5 strategic priority
- **40%** will invest $5M+ in Blockchain coming year
- **83%** of respondents see a compelling business case for the use of blockchain
- **86%** think Blockchain is broadly scalable and will reach mainstream adoption
- **81%** plan on replacing current system of record

Interest across a breadth of use cases

- **43%** Data Validation
- **40%** Data Access / Sharing
- **39%**
Blockchain in government and public services

Blockchain provides an opportunity for realizing both agency-specific and whole-of-government benefits that can foster more efficient and effective mission delivery.
State Blockchain Legislation in the United States

Some state governments are actively pursuing legislation related to blockchain.

Some states have formed blockchain task forces composed of legislators, entrepreneurs, academics, and technologists, whose purpose is to study blockchain and develop a plan to regulate, utilize and grow the technology.

**Task Forces & Studies**
- 14 Passed

**Financial Transactions**
- The rising popularity of digital currencies encouraged some states to address the legality of electronic assets, whether they involve LLCs or one of the many different cryptocurrencies.
- 30 Passed

**Electronic Records**
- Some Governments have legalized and established guidelines for the storage of both government and corporate records in addition to electronic transactions on a distributed ledger or blockchain.
- 19 Passed

**Blockchain Definitions**
- Some Legislatures are developing and applying definitions for blockchain to clarify which regulations already apply.
- 24 Passed

Number of ‘Blockchain’ Bills passed in 2019
- 45

114% Increase in bills passed in 2019 compared to 2018

States that have passed blockchain legislation

1. https://legiscan.com/legiscan
State Benefit Payments

Blockchain has the potential to reduce overpayments for key benefit programs. Blockchain technology can help increase efficiency of fraud management and save states money.

Overview

Benefits programs differ from state to state; and due to the nature of state benefits, there is no all-encompassing central repository of benefit recipient information. States, cannot easily determine if a person is receiving benefits in multiple states, which can lead to incorrect payments.

**Fraud drains state revenue**
1. Fraud, overpayments and underpayments in all assistance programs cost federal and state governments about $136.7 billion in 2015.*
2. States lose a total of $58.2 million per year in benefit fraud. **
3. States spend $400–$600 per individual on un-enrolling and re-enrolling a beneficiary when fraud is incorrectly identified.

Current Approach

States use several different matching processes to determine if a beneficiary is receiving benefits in multiple states.

Paris Interstate Match
1. Quarterly match by SSN to identify beneficiaries receiving benefits in more than one state. If there is a match identified on the report, the states are alerted. A task is created for a state worker to manually resolve matches by requesting verification and terminating eligibility, if necessary.

Incarceration Matches
1. Monthly match between DOC and state eligibility system. Interface updates living arrangement of the individual to prison and creates a trigger for all cases where the client is active, terminating benefits.
2. Quarterly match between federal and state eligibility systems runs for individuals 16 years and older who are pending or active. When a match is found, a task will be sent to the state worker, who is expected to resolve the case within 12 days.

Blockchain Opportunities

**Helps Increase Efficiency**
State eligibility systems by utilizing information stored in blockchain to access benefit information when determining eligibility. If they see that an individual applying for benefits is already receiving benefits in another state, they can avoid incorrect payments. Using blockchain when determining eligibility can prevent dual-eligibility and help eliminate fraud.

**Scalability:** Beneficiary data can be accessed via blockchain and used across multiple states and agencies. This can reduce the need to have multiple matching programs.

**Immutability:** Benefit information for more states can increase the chance of correctly identifying incorrect payments. Due to blockchain, this data is immutable and cannot be modified when shared between states.

**Savings:** The increased efficiency and scale can help save states money lost to fraud in comparison to smaller matching programs.

Current Solution

**Approach:**
Current match processes typically take months to identify a benefit match and requires additional time and manual effort to resolve.

Blockchain Approach:
Blockchain provides a near real-time and proactive solution to prevent dual-eligibility, helping decrease time and costs.


**Federal Trade Commission: “Consumer Sentinel Network Data Book.” 2018 - calculation of loss due to benefit fraud across all states
Use Case Spotlight: Business Licensure

**Over one million licensees** are regulated with more than 50 professions, occupations and entities in Florida¹

**Over 25% of the employed U.S. population** holds a license or certification on top of any degrees they may hold²

**In 2018 43.7 million U.S. citizens** held a currently active certification or license³

**Since 2000, awards of certificates have grown by 70%,** faster than the awards of bachelors degrees⁴

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**Imagine a World Where....**

A central permissioned repository for business licensing can be shared within and across organizations

**Consumer**
- Can query a trusted record of professional licensees

**Division of Real Estate**
- Can issue and authenticate digital certificates for real estate licenses

**Licensee**
- Can view and share their own licenses and status

**Division of Professions & Occupations**
- Can issue and authenticate digital certificates for professional licenses

**State Licensing Organization**
- Can enforce and view organizational dashboard containing all licenses compliance

**Employer**
- Can view their organizational dashboard containing all staff qualifications compliance for maintenance and onboarding purposes

**Division of Real Estate**
- Can issue and authenticate digital certificates for real estate licenses

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**Why Blockchain?**

**Process Automation**
- Blockchain can improve processes at the value chain level, bringing operational efficiencies and reducing margins of human error

**Data Management**
- Modular management of privacy settings for data shared over a blockchain can enable selective sharing of information, eliminating the need to store (and secure) sensitive information

**Shared Trust**
- All parties can share the same immutable data platform with full data audit capabilities

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¹ Florida Department of Business and Professional Regulation
⁴ “Certificates in Oregon”, 2018, Georgetown University Center on Education and the Workforce
A new technology, for a new age.

DELOITTE BLOCKCHAIN COMMUNITY

We are able to draw on Deloitte’s renowned industry experience and technical knowledge across Technology, Strategy and Operations, Human Capital, Tax, Legal, Risk Advisory and Cyber Risk to build truly transformative Blockchain solutions.

Our Blockchain team focuses on:
- Blockchain Strategy
- Platform & Proposition Design
- Technology Delivery (PoC to **LIVE**)
- Enterprise Transformation
- Consortium Support
- Assurance

Leaders from 300+ client organizations have come to Deloitte’s Labs to have their Blockchain ambitions brought to life.
Thank you

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Legislative Update
Legislative Update
HB 1391
Section 11. Section 560.214, Florida Statutes, is created to read:

560.214  Financial Technology Sandbox.—

(1)  SHORT TITLE.—This section may be cited as the "Financial Technology Sandbox."

(2)  CREATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—There is created the Financial Technology Sandbox within the office to allow financial technology innovators to test new products and services in a supervised, flexible regulatory sandbox, using waivers of specified general law and corresponding rule requirements under defined conditions. The creation of a supervised, flexible regulatory sandbox provides a welcoming business environment for technology innovators and may lead to significant business growth.

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

(a)  "Consumer" means a person in this state, whether a natural person or a business entity, who purchases, uses, receives, or enters into an agreement to purchase, use, or receive an innovative financial product or service made available through the Financial Technology Sandbox.

(b)  "Financial product or service" means a product or service related to money transmitters and payment instrument sellers, as defined in s. 560.103, including mediums of exchange that are in electronic or digital form, which is subject to general law or corresponding rule requirements in the sections
enumerated in paragraph (4)(a) and which is under the jurisdiction of the office.

(c) "Financial Technology Sandbox" means the program created in this section which allows a person to make an innovative financial product or service available to consumers as a money transmitter or payment instrument seller, as defined in s. 560.103, during a sandbox period through a waiver of general laws or rule requirements, or portions thereof, as specified in this section.

(d) "Innovative" means new or emerging technology, or new uses of existing technology, which provides a product, service, business model, or delivery mechanism to the public.

(e) "Office" means, unless the context clearly indicates otherwise, the Office of Financial Regulation.

(f) "Sandbox period" means the period, initially not longer than 24 months, in which the office has:

1. Authorized an innovative financial product or service to be made available to consumers.

2. Granted the person who makes the innovative financial product or service available a waiver of general law or corresponding rule requirements, as determined by the office, so that the authorization under subparagraph 1. is possible.

(4) WAIVERS OF GENERAL LAW AND RULE REQUIREMENTS.—

(a) If all the conditions in this section are met, the office may approve the application and grant the applicant a
waiver of a requirement, or a portion thereof, which is imposed by a general law or corresponding rule in any of the following sections:

1. Section 560.1105.
2. Section 560.118.
3. Section 560.125, except for s. 560.125(2).
4. Section 560.128.
5. Section 560.1401, except for s. 560.1401(2)-(4).
6. Section 560.141, except for s. 560.141(1)(b)-(d).
7. Section 560.142, except that the office may prorate, but may not entirely waive, the license renewal fees provided in ss. 560.142 and 560.143 for an extension granted under subsection (7).
8. Section 560.143(2) to the extent necessary for proration of the renewal fee under subparagraph 7.
9. Section 560.205, except for s. 560.205(1) and (3).
10. Section 560.208, except for s. 560.208(3)-(6).
11. Section 560.209, except that the office may modify, but may not entirely waive, the net worth, corporate surety bond, and collateral deposit amounts required under s. 560.209. The modified amounts must be in such lower amounts that the office determines to be commensurate with the considerations under paragraph (5)(e) and the maximum number of consumers authorized to receive the financial product or service under this section.
(b) The office may grant, during a sandbox period, a waiver of a requirement, or a portion thereof, imposed by a general law or corresponding rule in any section enumerated in paragraph (a), if all of the following conditions are met:

1. The general law or corresponding rule currently prevents the innovative financial product or service to be made available to consumers.

2. The waiver is not broader than necessary to accomplish the purposes and standards specified in this section, as determined by the office.

3. No provision relating to the liability of an incorporator, director, or officer of the applicant is eligible for a waiver.

4. The other requirements of this section are met.

(5) FINANCIAL TECHNOLOGY SANDBOX APPLICATION; STANDARDS FOR APPROVAL.—

(a) Before filing an application under this section, a substantially affected person may seek a declaratory statement pursuant to s. 120.565 regarding the applicability of a statute, rule, or agency order to the petitioner's particular set of circumstances.

(b) Before making an innovative financial product or service available to consumers in the Financial Technology Sandbox, a person must file an application with the office. The commission shall, by rule, prescribe the form and manner of the
application.

1. In the application, the person must specify the general law or rule requirements for which a waiver is sought, and the reasons why these requirements prevent the innovative financial product or service from being made available to consumers.

2. The application must also contain the information specified in paragraph (e).

(c) A business entity filing an application under this section must be a domestic corporation or other organized domestic entity with a physical presence, other than that of a registered office or agent or virtual mailbox, in this state.

(d) Before a person applies on behalf of a business entity intending to make an innovative financial product or service available to consumers, the person must obtain the consent of the business entity.

(e) The office shall approve or deny in writing a Financial Technology Sandbox application within 60 days after receiving the completed application. The office and the applicant may jointly agree to extend the time beyond 60 days. The office may impose conditions on any approval, consistent with this section. In deciding to approve or deny an application, the office must consider each of the following:

1. The nature of the innovative financial product or service proposed to be made available to consumers in the Financial Technology Sandbox, including all relevant technical

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

2. The potential risk to consumers and the methods that will be used to protect consumers and resolve complaints during the sandbox period.

3. The business plan proposed by the applicant, including a statement regarding the applicant's current and proposed capitalization.

4. Whether the applicant has the necessary personnel, adequate financial and technical expertise, and a sufficient plan to test, monitor, and assess the innovative financial product or service.

5. Whether any person substantially involved in the development, operation, or management of the applicant's innovative financial product or service has pled no contest to, has been convicted or found guilty of, or is currently under investigation for, fraud, a state or federal securities violation, a property-based offense, or a crime involving moral turpitude or dishonest dealing. A plea of no contest, a conviction, or a finding of guilt must be reported under this subparagraph regardless of adjudication.

6. A copy of the disclosures that will be provided to consumers under paragraph (6) (c).

7. The financial responsibility of any person substantially involved in the development, operation, or management of the applicant's innovative financial product or
service.

8. Any other factor that the office determines to be relevant.

(f) The office may not approve an application if:

1. The applicant had a prior Financial Technology Sandbox application that was approved and that related to a substantially similar financial product or service; or

2. Any person substantially involved in the development, operation, or management of the applicant's innovative financial product or service was substantially involved in such with another Financial Technology Sandbox applicant whose application was approved and whose application related to a substantially similar financial product or service.

(g) Upon approval of an application, the office shall specify the general law or rule requirements, or portions thereof, for which a waiver is granted during the sandbox period and the length of the initial sandbox period, not to exceed 24 months. The office shall post on its website notice of the approval of the application, a summary of the innovative financial product or service, and the contact information of the person making the financial product or service available.

(6) OPERATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—

(a) A person whose Financial Technology Sandbox application is approved may make an innovative financial product or service available to consumers during the sandbox period.
(b) The office may, on a case-by-case basis, specify the maximum number of consumers authorized to receive an innovative financial product or service, after consultation with the person who makes the financial product or service available to consumers. The office may not authorize more than 15,000 consumers to receive the financial product or service until the person who makes the financial product or service available to consumers has filed the first report required under subsection (8). After the filing of the report, if the person demonstrates adequate financial capitalization, risk management process, and management oversight, the office may authorize up to 25,000 consumers to receive the financial product or service.

c) 1. Before a consumer purchases, uses, receives, or enters into an agreement to purchase, use, or receive an innovative financial product or service through the Financial Technology Sandbox, the person making the financial product or service available must provide a written statement of all of the following to the consumer:
   a. The name and contact information of the person making the financial product or service available to consumers.
   b. That the financial product or service has been authorized to be made available to consumers for a temporary period by the office, under the laws of this state.
   c. That the state does not endorse the financial product or service.
d. That the financial product or service is undergoing testing, may not function as intended, and may entail financial risk.
e. That the person making the financial product or service available to consumers is not immune from civil liability for any losses or damages caused by the financial product or service.
f. The expected end date of the sandbox period.
g. The contact information for the office, and notification that suspected legal violations, complaints, or other comments related to the financial product or service may be submitted to the office.
h. Any other statements or disclosures required by rule of the commission which are necessary to further the purposes of this section.

2. The written statement must contain an acknowledgement from the consumer, which must be retained for the duration of the sandbox period by the person making the financial product or service available.

(d) The office may enter into an agreement with a state, federal, or foreign regulatory agency to allow persons who make an innovative financial product or service available in this state through the Financial Technology Sandbox to make their products or services available in other jurisdictions.

(e) 1. A person whose Financial Technology Sandbox
application is approved by the office shall maintain
comprehensive records relating to the innovative financial
product or service. The person shall keep these records for at
least 5 years after the conclusion of the sandbox period. The
commission may specify by rule additional records requirements.

2. The office may examine the records maintained under
subparagraph 1. at any time, with or without notice.

(7) EXTENSIONS AND CONCLUSION OF SANDBOX PERIOD.—
(a) A person who is authorized to make an innovative
financial product or service available to consumers may apply
for an extension of the initial sandbox period for up to 12
additional months for a purpose specified in subparagraph (b)1.
or subparagraph (b)2. A complete application for an extension
must be filed with the office at least 90 days before the
conclusion of the initial sandbox period. The office shall
approve or deny the application for extension in writing at
least 35 days before the conclusion of the initial sandbox
period. In deciding to approve or deny an application for
extension of the sandbox period, the office must, at a minimum,
consider the current status of the factors previously considered
under paragraph (5)(e).

(b) An application for an extension under paragraph (a)
must cite one of the following reasons as the basis for the
application and must provide all relevant supporting information
that:
1. Amendments to general law or rules are necessary to offer the innovative financial product or service in this state permanently.

2. An application for a license that is required in order to offer the innovative financial product or service in this state permanently has been filed with the office, and approval is pending.

(c) At least 30 days before the conclusion of the initial sandbox period or the extension, whichever is later, a person who makes an innovative financial product or service available shall provide written notification to consumers regarding the conclusion of the initial sandbox period or the extension and may not make the financial product or service available to any new consumers after the conclusion of the initial sandbox period or the extension, whichever is later, until legal authority outside of the Financial Technology Sandbox exists to make the financial product or service available to consumers. After the conclusion of the sandbox period or the extension, whichever is later, the person may:

1. Collect and receive money owed to the person or pay money owed by the person, based on agreements with consumers made before the conclusion of the sandbox period or the extension.

2. Take necessary legal action.

3. Take other actions authorized by commission rule which
are not inconsistent with this subsection.

(8) REPORT.—A person authorized to make an innovative financial product or service available to consumers under this section shall submit a report to the office twice a year as prescribed by commission rule. The report must, at a minimum, include financial reports and the number of consumers who have received the financial product or service.

(9) CONSTRUCTION.—A person whose Financial Technology Sandbox application is approved shall be deemed licensed under part II of this chapter unless the person's authorization to make the financial product or service available to consumers under this section has been revoked or suspended.

(10) VIOLATIONS AND PENALTIES.—

(a) A person who makes an innovative financial product or service available to consumers in the Financial Technology Sandbox is:

1. Not immune from civil damages for acts and omissions relating to this section.

2. Subject to all criminal and consumer protection laws.

(b) 1. The office may, by order, revoke or suspend authorization granted to a person to make an innovative financial product or service available to consumers if:

a. The person has violated or refused to comply with this section, a rule of the commission, an order of the office, or a condition placed by the office on the approval of the person's
b. A fact or condition exists that, if it had existed or become known at the time that the Financial Technology Sandbox application was pending, would have warranted denial of the application or the imposition of material conditions;

c. A material error, false statement, misrepresentation, or material omission was made in the Financial Technology Sandbox application; or

d. After consultation with the person, continued testing of the innovative financial product or service would:
   (I) Be likely to harm consumers; or
   (II) No longer serve the purposes of this section because of the financial or operational failure of the financial product or service.

2. Written notice of a revocation or suspension order made under subparagraph 1. shall be served using any means authorized by law. If the notice relates to a suspension, the notice must include any condition or remedial action that the person must complete before the office lifts the suspension.

(c) The office may refer any suspected violation of law to an appropriate state or federal agency for investigation, prosecution, civil penalties, and other appropriate enforcement actions.

(d) If service of process on a person making an innovative financial product or service available to consumers in the
Financial Technology Sandbox is not feasible, service on the office shall be deemed service on such person.

(11) RULES AND ORDERS.—

(a) The commission shall adopt rules to administer this section.

(b) The office may issue all necessary orders to enforce this section and may enforce these orders in accordance with chapter 120 or in any court of competent jurisdiction. These orders include, but are not limited to, orders for payment of restitution for harm suffered by consumers as a result of an innovative financial product or service.

Section 12. Effective July 1, 2020, for the 2020-2021 fiscal year, the sum of $50,000 in nonrecurring funds is appropriated from the Administrative Trust Fund to the Office of Financial Regulation to implement s. 560.214, Florida Statutes, as created by this act.

Section 13. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect January 1, 2021.
Legislative Update
SB 1870

FLORIDA BLOCKCHAIN TASK FORCE
Section 9. Paragraph (a) of subsection (1) of section 365.173, Florida Statutes, is amended to read:

365.173 Communications Number E911 System Fund.—

(1) REVENUES.—

(a) Revenues derived from the fee levied on subscribers under s. 365.172(8) must be paid by the board into the State Treasury on or before the 15th day of each month. Such moneys must be accounted for in a special fund to be designated as the Emergency Communications Number E911 System Fund, a fund created in the Division of Telecommunications State Technology, or other office as designated by the Secretary of Management Services.

Section 10. Subsection (5) of section 943.0415, Florida Statutes, is amended to read:

943.0415 Cybercrime Office.—There is created within the Department of Law Enforcement the Cybercrime Office. The office may:

(5) Consult with the Florida Digital Service Division of State Technology within the Department of Management Services in the adoption of rules relating to the information technology security provisions in s. 282.318.

Section 11. Effective January 1, 2021, section 559.952, Florida Statutes, is created to read:

559.952 Financial Technology Sandbox.—

(1) SHORT TITLE.—This section may be cited as the “Financial Technology Sandbox.”

(2) CREATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—There is created the Financial Technology Sandbox within the Office of Financial Regulation to allow financial technology innovators to test new products and services in a supervised, flexible
regulatory sandbox using exceptions to specified general law and waivers of the corresponding rule requirements under defined conditions. The creation of a supervised, flexible regulatory sandbox provides a welcoming business environment for technology innovators and may lead to significant business growth.

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

(a) “Commission” means the Financial Services Commission.

(b) “Consumer” means a person in this state, whether a natural person or a business entity, who purchases, uses, receives, or enters into an agreement to purchase, use, or receive an innovative financial product or service made available through the Financial Technology Sandbox.

(c) “Financial product or service” means a product or service related to finance, including securities, consumer credit, or money transmission, which is traditionally subject to general law or rule requirements in the provisions enumerated in paragraph (7)(a) and which is under the jurisdiction of the office.

(d) “Financial Technology Sandbox” means the program created in this section which allows a person to make an innovative financial product or service available to consumers through the provisions enumerated in paragraph (7)(a) during a sandbox period through an exception to general laws or a waiver of rule requirements, or portions thereof, as specified in this section.

(e) “Innovative” means new or emerging technology, or new uses of existing technology, which provides a product, service, business model, or delivery mechanism to the public.

(f) “Office” means, unless the context clearly indicates
otherwise, the Office of Financial Regulation.

(g) “Sandbox period” means the period, initially not longer than 24 months, in which the office has:

1. Authorized an innovative financial product or service to be made available to consumers.

2. Granted the person who makes the innovative financial product or service available an exception to general law or a waiver of the corresponding rule requirements, as determined by the office, so that the authorization under subparagraph 1. is possible.

(4) FINANCIAL TECHNOLOGY SANDBOX APPLICATION; STANDARDS FOR APPROVAL.—

(a) Before filing an application to enter the Financial Technology Sandbox, a substantially affected person may seek a declaratory statement pursuant to s. 120.565 regarding the applicability of a statute, rule, or agency order to the petitioner’s particular set of circumstances.

(b) Before making an innovative financial product or service available to consumers in the Financial Technology Sandbox, a person must file an application with the office. The commission shall prescribe by rule the form and manner of the application.

1. In the application, the person must specify the general law or rule requirements for which an exception or a waiver is sought and the reasons why these requirements prevent the innovative financial product or service from being made available to consumers.

2. The application must also contain the information specified in paragraph (e).
(c) A business entity filing an application under this section must be a domestic corporation or other organized domestic entity with a physical presence, other than that of a registered office or agent or virtual mailbox, in this state.

(d) Before a person applies on behalf of a business entity intending to make an innovative financial product or service available to consumers, the person must obtain the consent of the business entity.

(e) The office shall approve or deny in writing a Financial Technology Sandbox application within 60 days after receiving the completed application. The office and the applicant may jointly agree to extend the time beyond 60 days. Consistent with this section, the office may impose conditions on any approval.

In deciding to approve or deny an application, the office must consider each of the following:

1. The nature of the innovative financial product or service proposed to be made available to consumers in the Financial Technology Sandbox, including all relevant technical details.

2. The potential risk to consumers and the methods that will be used to protect consumers and resolve complaints during the sandbox period.

3. The business plan proposed by the applicant, including a statement regarding the applicant’s current and proposed capitalization.

4. Whether the applicant has the necessary personnel, adequate financial and technical expertise, and a sufficient plan to test, monitor, and assess the innovative financial product or service.
5. If any person substantially involved in the development, operation, or management of the applicant’s innovative financial product or service has pled no contest to, has been convicted or found guilty of, or is currently under investigation for, fraud, a state or federal securities violation, any property-based offense, or any crime involving moral turpitude or dishonest dealing, their application to the Financial Technology Sandbox will be denied. A plea of no contest, a conviction, or a finding of guilt must be reported under this subparagraph regardless of adjudication.

6. A copy of the disclosures that will be provided to consumers under paragraph (6)(c).

7. The financial responsibility of any person substantially involved in the development, operation, or management of the applicant’s innovative financial product or service.

8. Any other factor that the office determines to be relevant.

(f) The office may not approve an application if:

1. The applicant had a prior Financial Technology Sandbox application that was approved and that related to a substantially similar financial product or service; or

2. Any person substantially involved in the development, operation, or management of the applicant’s innovative financial product or service was substantially involved with another Financial Technology Sandbox applicant whose application was approved and whose application related to a substantially similar financial product or service.

(g) Upon approval of an application, the office shall specify the general law or rule requirements, or portions
thereof, for which an exception or rule waiver is granted during the sandbox period and the length of the initial sandbox period, not to exceed 24 months. The office shall post on its website notice of the approval of the application, a summary of the innovative financial product or service, and the contact information of the person making the financial product or service available.

(5) OPERATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—

(a) A person whose Financial Technology Sandbox application is approved may make an innovative financial product or service available to consumers during the sandbox period.

(b) The office may, on a case-by-case basis and after consultation with the person who makes the financial product or service available to consumers, specify the maximum number of consumers authorized to receive an innovative financial product or service. The office may not authorize more than 15,000 consumers to receive the financial product or service until the person who makes the financial product or service available to consumers has filed the first report required under subsection (8). After the filing of the report, if the person demonstrates adequate financial capitalization, risk management process, and management oversight, the office may authorize up to 25,000 consumers to receive the financial product or service.

(c)1. Before a consumer purchases, uses, receives, or enters into an agreement to purchase, use, or receive an innovative financial product or service through the Financial Technology Sandbox, the person making the financial product or service available must provide a written statement of all of the following to the consumer:
a. The name and contact information of the person making the financial product or service available to consumers.

b. That the financial product or service has been authorized to be made available to consumers for a temporary period by the office, under the laws of this state.

c. That this state does not endorse the financial product or service.

d. That the financial product or service is undergoing testing, may not function as intended, and may entail financial risk.

e. That the person making the financial product or service available to consumers is not immune from civil liability for any losses or damages caused by the financial product or service.

f. The expected end date of the sandbox period.

g. The contact information for the office, and notification that suspected legal violations, complaints, or other comments related to the financial product or service may be submitted to the office.

h. Any other statements or disclosures required by rule of the commission which are necessary to further the purposes of this section.

2. The written statement must contain an acknowledgment from the consumer, which must be retained for the duration of the sandbox period by the person making the financial product or service available.

(d) The office may enter into an agreement with a state, federal, or foreign regulatory agency to allow persons:

1. Who make an innovative financial product or service
available in this state through the Financial Technology Sandbox to make their products or services available in other jurisdictions.

2. Who operate in similar financial technology sandboxes in other jurisdictions to make innovative financial products and services available in this state under the standards of this section.

(e)1. A person whose Financial Technology Sandbox application is approved by the office shall maintain comprehensive records relating to the innovative financial product or service. The person shall keep these records for at least 5 years after the conclusion of the sandbox period. The commission may specify by rule additional records requirements.

2. The office may examine the records maintained under subparagraph 1. at any time, with or without notice.

(6) EXTENSIONS AND CONCLUSION OF SANDBOX PERIOD.—

(a) A person who is authorized to make an innovative financial product or service available to consumers may apply for an extension of the initial sandbox period for up to 12 additional months for a purpose specified in subparagraph (b)1. or subparagraph (b)2. A complete application for an extension must be filed with the office at least 90 days before the conclusion of the initial sandbox period. The office shall approve or deny the application for extension in writing at least 35 days before the conclusion of the initial sandbox period. In deciding to approve or deny an application for extension of the sandbox period, the office must, at a minimum, consider the current status of the factors previously considered under paragraph (4)(e).
(b) An application for an extension under paragraph (a) must cite one of the following reasons as the basis for the application and must provide all relevant supporting information that:

1. Amendments to general law or rules are necessary to offer the innovative financial product or service in this state permanently.

2. An application for a license that is required in order to offer the innovative financial product or service in this state permanently has been filed with the office, and approval is pending.

(c) At least 30 days before the conclusion of the initial sandbox period or the extension, whichever is later, a person who makes an innovative financial product or service available shall provide written notification to consumers regarding the conclusion of the initial sandbox period or the extension and may not make the financial product or service available to any new consumers after the conclusion of the initial sandbox period or the extension, whichever is later, until legal authority outside of the Financial Technology Sandbox exists to make the financial product or service available to consumers. After the conclusion of the sandbox period or the extension, whichever is later, the person who makes the innovative financial product or service available may:

1. Collect and receive money owed to the person or pay money owed by the person, based on agreements with consumers made before the conclusion of the sandbox period or the extension.

2. Take necessary legal action.
3. Take other actions authorized by commission rule which are not inconsistent with this subsection.

(7) EXCEPTIONS TO GENERAL LAW AND WAIVERS OF RULE REQUIREMENTS.—

(a) Notwithstanding any other provision of law, upon approval of a Financial Technology Sandbox application, the office may grant an applicant a waiver of a requirement, or a portion thereof, which is imposed by rule as authorized by any of the following provisions of general law, if all of the conditions in paragraph (b) are met. If the application is approved for a person who otherwise would be subject to the provisions of chapter 560, chapter 516, chapter 517, chapter 520, or chapter 537, the following provisions shall not be applicable to the approved sandbox participant:

1. Section 560.1105.
2. Section 560.118.
3. Section 560.125, except for s. 560.125(2).
4. Section 560.128.
5. Section 560.1401, except for s. 560.1401(2)-(4).
6. Section 560.141, except for s. 560.141(1)(b)-(d).
7. Section 560.142, except that the office may prorate the license renewal fees provided in ss. 560.142 and 560.143 for an extension granted under subsection (6).
8. Section 560.143(2), to the extent necessary for proration of the renewal fee under subparagraph 7.
9. Section 560.205, except for s. 560.205(1) and (3).
10. Section 560.208, except for s. 560.208(3)-(6).
11. Section 560.209, except that the office may modify the net worth, corporate surety bond, and collateral deposit amounts...
required under s. 560.209. The modified amounts must be in such lower amounts that the office determines to be commensurate with the considerations under paragraph (4)(e) and the maximum number of consumers authorized to receive the financial product or service under this section.

12. Section 516.03, except for the license and investigation fee. The office may prorate the license renewal fees for an extension granted under subsection (6). The office may not waive the evidence of liquid assets of at least $25,000.

13. Section 516.05, except that the office may make an investigation of the facts concerning the applicant’s background.

14. Section 516.12.

15. Section 516.19.

16. Section 517.07.

17. Section 517.12.

18. Section 517.121.

19. Section 520.03, except for the application fee. The office may prorate the license renewal fees for an extension granted under subsection (6).

20. Section 520.12.

21. Section 520.25.

22. Section 520.32, except for the application fee. The office may prorate the license renewal fees for an extension granted under subsection (6).

23. Section 520.39.

24. Section 520.52, except for the application fee. The office may prorate the license renewal fees for an extension granted under subsection (6).
25. Section 520.57.
26. Section 520.63, except for the application fee. The office may prorate the license renewal fees for an extension granted under subsection (6).
27. Section 520.997.
28. Section 520.98.
29. Section 537.004, except for s. 537.004(2) and (5). The office may prorate the license renewal fees for an extension granted under subsection (6).
30. Section 537.005, except that the office may modify the corporate surety bond amount required by s. 537.005. The modified amount must be in such lower amount that the office determines to be commensurate with the considerations under paragraph (4)(e) and the maximum number of consumers authorized to receive the product or service under this section.
31. Section 537.007.
32. Section 537.009.
33. Section 537.015.
(b) During a sandbox period, the exceptions granted in paragraph (a) are applicable if all of the following conditions are met:
1. The general law or corresponding rule currently prevents the innovative financial product or service to be made available to consumers.
2. The exceptions or rule waivers are not broader than necessary to accomplish the purposes and standards specified in this section, as determined by the office.
3. No provision relating to the liability of an incorporator, director, or officer of the applicant is eligible
for a waiver.

4. The other requirements of this section are met.

(8) REPORT.—A person authorized to make an innovative financial product or service available to consumers under this section shall submit a report to the office twice a year as prescribed by commission rule. The report must, at a minimum, include financial reports and the number of consumers who have received the financial product or service.

(9) CONSTRUCTION.—A person whose Financial Technology Sandbox application is approved shall be deemed licensed under the applicable exceptions to general law or waiver of the rule requirements specified under subsection (7), unless the person’s authorization to make the financial product or service available to consumers under this section has been revoked or suspended.

(10) VIOLATIONS AND PENALTIES.—

(a) A person who makes an innovative financial product or service available to consumers in the Financial Technology Sandbox is:

1. Not immune from civil damages for acts and omissions relating to this section.

2. Subject to all criminal statutes and any other statute not specifically excepted under subsection (7).

(b)1. The office may, by order, revoke or suspend authorization granted to a person to make an innovative financial product or service available to consumers if:

a. The person has violated or refused to comply with this section, a rule of the commission, an order of the office, or a condition placed by the office on the approval of the person’s Financial Technology Sandbox application;
b. A fact or condition exists that, if it had existed or become known at the time that the Financial Technology Sandbox application was pending, would have warranted denial of the application or the imposition of material conditions;

c. A material error, false statement, misrepresentation, or material omission was made in the Financial Technology Sandbox application; or

d. After consultation with the person, continued testing of the innovative financial product or service would:

   (I) Be likely to harm consumers; or

   (II) No longer serve the purposes of this section because of the financial or operational failure of the financial product or service.

2. Written notice of a revocation or suspension order made under subparagraph 1. must be served using any means authorized by law. If the notice relates to a suspension, the notice must include any condition or remedial action that the person must complete before the office lifts the suspension.

   (c) The office may refer any suspected violation of law to an appropriate state or federal agency for investigation, prosecution, civil penalties, and other appropriate enforcement actions.

   (d) If service of process on a person making an innovative financial product or service available to consumers in the Financial Technology Sandbox is not feasible, service on the office shall be deemed service on such person.

   (11) RULES AND ORDERS.—

   (a) The commission shall adopt rules to administer this section.
(b) The office may issue all necessary orders to enforce this section and may enforce the orders in accordance with chapter 120 or in any court of competent jurisdiction. These orders include, but are not limited to, orders for payment of restitution for harm suffered by consumers as a result of an innovative financial product or service.

Section 12. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2020.
Legislative Update
HB 1077/SB 1404
member of the Florida Commission on Offender Review or any
administrative aide or supervisor employed by the commission,
any personnel or representative of the Department of Law
Enforcement, or a federal law enforcement officer as defined in
s. 901.1505, and takes upon himself or herself to act as such,
or to require any other person to aid or assist him or her in a
matter pertaining to the duty of any such officer, commits a
felony of the third degree, punishable as provided in s.
775.082, s. 775.083, or s. 775.084. However, a person who
falsely personates any such officer during the course of the
commission of a felony commits a felony of the second degree,
punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
If the commission of the felony results in the death or personal
injury of another human being, the person commits a felony of
the first degree, punishable as provided in s. 775.082, s.
775.083, or s. 775.084.

Section 20. Paragraph (f) is added to subsection (11) of
section 943.045, Florida Statutes, to read:
943.045 Definitions; ss. 943.045-943.08.—The following
words and phrases as used in ss. 943.045-943.08 shall have the
following meanings:
(11) “Criminal justice agency” means:
(f) The investigations component of the Department of
Financial Services which investigates the crimes of fraud and
official misconduct in all public assistance given to residents
of the state or provided to others by the state.

Section 21. Effective upon this act becoming a law,
paragraph (e) of subsection (1) and subsections (2) and (3) of
section 40 of chapter 2019-140, Laws of Florida, are amended to
Section 40. (1) The Legislature finds that:

(e) It is in the public interest to establish a Florida Financial Technology and Blockchain Task Force comprised of government and industry representatives to study the ways in which state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, security, and service delivery and to develop and submit recommendations to the Governor and the Legislature concerning the potential for implementation of blockchain-based systems that promote government efficiencies, better services for citizens, economic development, and safer cyber-secure interaction between government and the public.

(2) The Florida Financial Technology and Blockchain Task Force, a task force as defined in s. 20.03, Florida Statutes, is established within the Department of Financial Services to explore and develop a master plan for fostering the expansion of financial technology and the blockchain industry in the state, to recommend policies and state investments to help make this state a leader in financial and blockchain technologies, and to issue a report to the Governor and the Legislature. The task force shall study if and how state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, data security, financial transactions, and service delivery and identify ways to improve government interaction with businesses and the public. The task force shall also consider financial technology innovations related to money transmitters and payment instrument sellers, as defined in s. 560.103, Florida Statutes, including
mediums of exchange which are in electronic or digital form, and identify new products and services that could lead to business growth in this state.

(a) The master plan shall:

1. Identify the economic growth and development opportunities presented by financial and blockchain technologies.

2. Assess the existing blockchain industry in the state.

3. Identify innovative and successful blockchain applications currently used by industry and other governments to determine viability for state applications.

4. Review workforce needs and academic programs required to build blockchain technology expertise across all relevant industries.

5. Make recommendations to the Governor and the Legislature that will promote innovation and economic growth by reducing barriers to and expediting the expansion of the state’s financial technology and blockchain industries.

(b) The task force shall consist of 13 members. Membership shall be as follows:

1. Three agency heads or executive directors of cabinet agencies, or their designees, appointed by the Governor.

2. Four members of the public or private sector with knowledge and experience in blockchain technology, appointed by the Governor.

3. Three members from the public or private sector with knowledge and experience in blockchain technology, appointed by the Chief Financial Officer.

4. One member from the private sector with knowledge and
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experience in blockchain technology, appointed by the President of the Senate.

5. One member from the private sector with knowledge and experience in blockchain technology, appointed by the Speaker of the House of Representatives.

6. One certified public accountant licensed pursuant to chapter 473 with knowledge and experience in blockchain technology, appointed by the Governor.

Members of the task force shall reflect the ethnic diversity of the state.

(c) Within 90 days after the effective date of this act, a majority of the members of the task force must be appointed and the task force shall hold its first meeting. The task force shall elect one of its members to serve as chair. Members of the task force shall serve for the duration of the existence of the task force. Any vacancy that occurs shall be filled in the same manner as the original appointment. Task force members shall serve without compensation, and are not entitled to reimbursement for per diem or travel expenses.

(d) The task force shall study blockchain technology, including, but not limited to, the following:

1. Opportunities and risks associated with using blockchain and distributed ledger technology for state and local governments.

2. Different types of blockchains, both public and private, and different consensus algorithms.

3. Projects and cases currently under development in other states and local governments, and how these cases could be
applied in this state.

4. Ways the Legislature can modify general law to support secure paperless recordkeeping, increase cybersecurity, improve interactions with citizens, and encourage blockchain innovation for businesses in the state.

5. Identifying potential economic incentives for companies investing in blockchain technologies in collaboration with the state.

6. Recommending projects for potential blockchain solutions, including, but not limited to, use cases for state agencies that would improve services for citizens or businesses.

7. Identifying the technical skills necessary to develop blockchain technology and ensuring that instruction in such skills is available at secondary and postsecondary educational institutions in this state.

(3) The task force shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives and present its findings to the appropriate legislative committees in each house of the Legislature by January 31, 2021 within 180 days after the initial meeting of the task force. The report must include:

(a) A general description of the costs and benefits of state and local government agencies using blockchain technology.

(b) Recommendations concerning the feasibility of implementing blockchain technology in the state and the best approach to finance the cost of implementation.

(c) Recommendations for specific implementations to be developed by relevant state agencies.

(d) Any draft legislation the task force deems appropriate.
to implement such blockchain technologies.

(e) Identification of one pilot project that may be implemented in the state.

(f) Any other information deemed relevant by the task force.

Section 22. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2020.
Discussion of Final Report
special districts that have firesafety enforcement responsibilities may jointly employ or contract with a firesafety inspector.

Section 40. (1) The Legislature finds that:

(a) Blockchain technology and distributed ledger technology allow the secure recording of transactions through cryptographic algorithms and distributed record sharing, and such technology has reached a point where the opportunities for efficiency, cost savings, and cybersecurity deserve study.

(b) Blockchain technology is a promising way to facilitate more efficient government service delivery models and economies of scale, including facilitating safe paperless transactions and recordkeeping that are nearly impervious to cyberattacks and data destruction.

(c) Blockchain technology can reduce the prevalence of disparate government computer systems, databases, and custom-built software interfaces; reduce costs associated with maintenance and implementation; streamline information sharing; and allow more areas of the state to electronically participate in government services.

(d) Nations, other states, and municipalities across the world are studying and implementing governmental reforms that bolster trust and reduce bureaucracy through verifiable open source blockchain technology in a variety of areas, including, but not limited to, medical and health records, land records, banking, tax and fee payments, smart contracts, professional accrediting, and property auctions.

(e) It is in the public interest to establish a Florida Blockchain Task Force comprised of government and industry representatives to study the ways in which state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, security, and service delivery and to develop and submit recommendations to the Governor and the Legislature concerning the potential for implementation of blockchain-based systems that promote government efficiencies, better services for citizens, economic development, and safer cyber-secure interaction between government and the public.

(2) The Florida Blockchain Task Force, a task force as defined in s. 20.03, Florida Statutes, is established within the Department of Financial Services to explore and develop a master plan for fostering the expansion of the blockchain industry in the state, to recommend policies and state investments to help make this state a leader in blockchain technology, and to issue a report to the Governor and the Legislature. The task force shall study if and how state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, data security, financial transactions, and service delivery and identify ways to improve government interaction with businesses and the public.
(a) The master plan shall:

1. Identify the economic growth and development opportunities presented by blockchain technology.

2. Assess the existing blockchain industry in the state.

3. Identify innovative and successful blockchain applications currently used by industry and other governments to determine viability for state applications.

4. Review workforce needs and academic programs required to build blockchain technology expertise across all relevant industries.

5. Make recommendations to the Governor and the Legislature that will promote innovation and economic growth by reducing barriers to and expediting the expansion of the state’s blockchain industry.

(b) The task force shall consist of 13 members. Membership shall be as follows:

1. Three agency heads or executive directors of cabinet agencies, or their designees, appointed by the Governor.

2. Four members of the public or private sector with knowledge and experience in blockchain technology, appointed by the Governor.

3. Three members from the public or private sector with knowledge and experience in blockchain technology, appointed by the Chief Financial Officer.

4. One member from the private sector with knowledge and experience in blockchain technology, appointed by the President of the Senate.

5. One member from the private sector with knowledge and experience in blockchain technology, appointed by the Speaker of the House of Representatives.

6. One certified public accountant licensed pursuant to chapter 473 with knowledge and experience in blockchain technology, appointed by the Governor.

Members of the task force shall reflect the ethnic diversity of the state.

(c) Within 90 days after the effective date of this act, a majority of the members of the task force must be appointed and the task force shall hold its first meeting. The task force shall elect one of its members to serve as chair. Members of the task force shall serve for the duration of the existence of the task force. Any vacancy that occurs shall be filled in the same manner as the original appointment. Task force members shall serve without compensation, and are not entitled to reimbursement for per diem or travel expenses.

CODING: Words **struck** are deletions; words *underlined* are additions.
(d) The task force shall study blockchain technology, including, but not limited to, the following:

1. Opportunities and risks associated with using blockchain and distributed ledger technology for state and local governments.

2. Different types of blockchains, both public and private, and different consensus algorithms.

3. Projects and cases currently under development in other states and local governments, and how these cases could be applied in this state.

4. Ways the Legislature can modify general law to support secure paperless recordkeeping, increase cybersecurity, improve interactions with citizens, and encourage blockchain innovation for businesses in the state.

5. Identifying potential economic incentives for companies investing in blockchain technologies in collaboration with the state.

6. Recommending projects for potential blockchain solutions, including, but not limited to, use cases for state agencies that would improve services for citizens or businesses.

7. Identifying the technical skills necessary to develop blockchain technology and ensuring that instruction in such skills is available at secondary and postsecondary educational institutions in this state.

(3) The task force shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives and present its findings to the appropriate legislative committees in each house of the Legislature within 180 days after the initial meeting of the task force. The report must include:

(a) A general description of the costs and benefits of state and local government agencies using blockchain technology.

(b) Recommendations concerning the feasibility of implementing blockchain technology in the state and the best approach to finance the cost of implementation.

(c) Recommendations for specific implementations to be developed by relevant state agencies.

(d) Any draft legislation the task force deems appropriate to implement such blockchain technologies.

(e) Identification of one pilot project that may be implemented in the state.

(f) Any other information deemed relevant by the task force.
(4) The task force is entitled to the assistance and services of any state agency, board, bureau, or commission as necessary and available for the purposes of this section.

(5) The Department of Financial Services shall provide support staff for the task force and any relevant studies, data, and materials in its possession to assist the task force in the performance of its duties.

(6) The task force shall terminate upon submission of the report and the presentation of findings.

(7) This section shall take effect upon this act becoming a law.

Section 41. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2019.

Approved by the Governor June 25, 2019.

Filed in Office Secretary of State June 25, 2019.