

CHAPTER 2019-52

Committee Substitute for Committee Substitute for Senate Bill No. 1024

An act relating to blockchain technology; providing legislative findings; establishing the Florida Blockchain Task Force within the Department of Financial Services; requiring the task force to develop a specified master plan; specifying the composition of the task force; specifying duties and procedures of the task force; providing that task force members shall serve without compensation but are entitled to certain reimbursement; requiring the task force to submit a specified report to the Governor and the Legislature and to make presentations; providing that the task force is entitled to assistance and services of state governmental entities; requiring the department to provide support staff and other assistance to the task force; providing for termination of the task force; providing an effective date.

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

Section 1. (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 expedite 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, but are entitled to reimbursement for per diem and travel expenses as provided in s. 112.061, Florida Statutes.

(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 act.

(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.

Section 2. This act shall take effect upon becoming a law.

Approved by the Governor May 23, 2019.

Filed in Office Secretary of State May 23, 2019.