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LEGISLATIVE ACTION

Senate

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House

Senator Gruters moved the following:

Senate Amendment (with title amendment)

Delete line 1240

and insert:

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



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12 more efficient government service delivery models and economies
13 of scale, including facilitating safe paperless transactions and
14 recordkeeping that are nearly impervious to cyberattacks and
15 data destruction.

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

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

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

40 (2) The Florida Blockchain Task Force, a task force as



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41 defined in s. 20.03, Florida Statutes, is established within the
42 Department of Financial Services to explore and develop a master
43 plan for fostering the expansion of the blockchain industry in
44 the state, to recommend policies and state investments to help
45 make this state a leader in blockchain technology, and to issue
46 a report to the Governor and the Legislature. The task force
47 shall study if and how state, county, and municipal governments
48 can benefit from a transition to a blockchain-based system for
49 recordkeeping, data security, financial transactions, and
50 service delivery and identify ways to improve government
51 interaction with businesses and the public.

52 (a) The master plan shall:

- 53 1. Identify the economic growth and development
54 opportunities presented by blockchain technology.
55 2. Assess the existing blockchain industry in the state.
56 3. Identify innovative and successful blockchain
57 applications currently used by industry and other governments to
58 determine viability for state applications.
59 4. Review workforce needs and academic programs required to
60 build blockchain technology expertise across all relevant
61 industries.
62 5. Make recommendations to the Governor and the Legislature
63 that will promote innovation and economic growth by reducing
64 barriers to and expediting the expansion of the state's
65 blockchain industry.

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

121 (3) The task force shall submit a report to the Governor,
122 the President of the Senate, and the Speaker of the House of
123 Representatives and present its findings to the appropriate
124 legislative committees in each house of the Legislature within
125 180 days after the initial meeting of the task force. The report
126 must include:

127 (a) A general description of the costs and benefits of



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128 state and local government agencies using blockchain technology.

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

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

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

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

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

140 (4) The task force is entitled to the assistance and
141 services of any state agency, board, bureau, or commission as
142 necessary and available for the purposes of this section.

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

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

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

151 Section 41. Except as otherwise expressly provided in this
152 act and except for this section, which shall take effect upon
153 this act becoming a law, this act shall take effect July 1,
154 2019.

155
156 ===== T I T L E A M E N D M E N T =====



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157 And the title is amended as follows:

158 Delete line 156

159 and insert:

160 rules; providing legislative findings; establishing
161 the Florida Blockchain Task Force within the
162 department; requiring the task force to develop a
163 specified master plan; specifying the composition of
164 the task force; specifying duties and procedures of
165 the task force; providing that task force members
166 shall serve without compensation but are entitled to
167 certain reimbursement; requiring the task force to
168 submit a specified report to the Governor and the
169 Legislature and to make presentations; providing that
170 the task force is entitled to assistance and services
171 of state governmental entities; requiring the
172 department to provide support staff and other
173 assistance to the task force; providing for
174 termination of the task force; providing effective
175 dates.