

1 A bill to be entitled
 2 An act relating to public records; amending s. 517.2015,
 3 F.S.; providing an exemption from public records
 4 requirements for examination techniques and procedures
 5 used by the Office of Financial Regulation of the
 6 Department of Financial Services pursuant to the Florida
 7 Securities and Investor Protection Act; providing for
 8 future review and repeal of the exemption; providing a
 9 statement of public necessity; providing an effective
 10 date.

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

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 14 Section 1. Subsection (4) is added to section 517.2015,
 15 Florida Statutes, to read:

16 517.2015 Confidentiality of information relating to
 17 investigations and examinations.—

18 (4) (a) Examination techniques and procedures used by the
 19 office pursuant to this chapter are confidential and exempt from
 20 s. 119.07(1) and s. 24(a), Art. I of the State Constitution.
 21 Examination techniques and procedures are the methods,
 22 processes, and guidelines used to evaluate regulatory compliance
 23 and to collect and analyze data, documents, and testimony for
 24 the purpose of documenting violations of this chapter and the
 25 rules promulgated thereunder.

26 (b) Paragraph (a) is subject to the Open Government Sunset
 27 Review Act in accordance with s. 119.15 and shall stand repealed
 28 on October 2, 2015, unless reviewed and saved from repeal

29 through reenactment by the Legislature.

30 Section 2. (1) It is the finding of the Legislature that
31 it is a public necessity that examination techniques and
32 procedures used by the Office of Financial Regulation of the
33 Department of Financial Services pursuant to chapter 517,
34 Florida Statutes, the Florida Securities and Investor Protection
35 Act, be made confidential and exempt from s. 119.07(1) and s.
36 24(a), Art. I of the State Constitution. This exemption is
37 necessary to ensure the effective and efficient administration
38 of the examination program administered by the Office of
39 Financial Regulation under chapter 517, Florida Statutes, which
40 would be significantly impaired without the exemption.

41 (2) Examinations are an essential component of securities
42 regulation. The mere existence of an examination program fosters
43 regulatory compliance and deters fraud and abuse by industry
44 participants. Examinations often detect violations in their
45 early stages. This early detection allows corrective action to
46 be taken before significant harm can be done to investors. Due
47 to the importance of such examinations, state regulators devote
48 extensive resources to devising effective examination techniques
49 and procedures.

50 (3) Revealing examination techniques or procedures would
51 undermine the examination process and facilitate evasion of the
52 law. Any advance notice of the areas of inquiry to be explored
53 during an examination might prompt a person to conceal evidence
54 of deficiencies or fabricate evidence of compliance. Without the
55 exemption, the Office of Financial Regulation's ability to
56 uncover misconduct and evaluate policies and procedures through

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57 the examination process would be significantly impaired.

58 (4) Additionally, without such an exemption the Office of
59 Financial Regulation's ability to participate in joint
60 examinations with other securities regulators would be impaired
61 as release of this information would compromise the integrity of
62 such joint examinations. The office also would not be able to
63 accept or use confidential examination techniques and procedures
64 developed by other regulators. Thus, the absence of an exemption
65 would create a situation that reduces the office's ability to
66 leverage its limited resources.

67 Section 3. This act shall take effect July 1, 2010.