

1 A bill to be entitled
 2 An act relating to public records; creating s. 517.2016,
 3 F.S.; providing an exemption from public records
 4 requirements for information that would reveal examination
 5 techniques and procedures used by the Office of Financial
 6 Regulation pursuant to the Florida Securities and Investor
 7 Protection Act; providing a definition; providing for
 8 retroactive application of the public record exemption;
 9 providing an exception to the exemption for other
 10 governmental entities having oversight or regulatory or
 11 law enforcement authority; providing for future review and
 12 repeal of the exemption; providing a statement of public
 13 necessity; providing an effective date.

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

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 17 Section 1. Section 517.2016, Florida Statutes, is created
 18 to read:

19 517.2016 Public record exemption; examination techniques
 20 and procedures.—

21 (1) For purposes of this section, "examination techniques
 22 and procedures" are the methods, processes, and guidelines used
 23 to evaluate regulatory compliance and to collect and analyze
 24 data, records, and testimony for the purpose of documenting
 25 violations of this chapter and the rules promulgated thereunder.

26 (2) Information that would reveal examination techniques
 27 or procedures used by the office pursuant to this chapter is
 28 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I

29 of the State Constitution. This exemption applies to such
30 information held by the office before, on, or after the
31 effective date of this exemption.

32 (3) Confidential and exempt information that would reveal
33 examination techniques or procedures may be provided by the
34 office to another governmental entity having oversight or
35 regulatory or law enforcement authority.

36 (4) This section is subject to the Open Government Sunset
37 Review Act in accordance with s. 119.15 and shall stand repealed
38 on October 2, 2015, unless reviewed and saved from repeal
39 through reenactment by the Legislature.

40 Section 2. (1) It is the finding of the Legislature that
41 it is a public necessity that information that would reveal
42 examination techniques or procedures used by the Office of
43 Financial Regulation pursuant to chapter 517, Florida Statutes,
44 the Florida Securities and Investor Protection Act, be made
45 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
46 of the State Constitution. This exemption is necessary to ensure
47 the Office of Financial Regulation's ability to effectively and
48 efficiently administer the examination program under chapter
49 517, Florida Statutes, which would be significantly impaired
50 without the exemption.

51 (2) Examinations are an essential component of securities
52 regulation. The mere existence of an examination program fosters
53 regulatory compliance and deters fraud and abuse by industry
54 participants. Examinations often detect violations in their
55 early stages. This early detection allows corrective action to
56 be taken before significant harm can be done to investors. Due

57 to the importance of such examinations, state regulators devote
58 extensive resources to devising effective examination techniques
59 and procedures.

60 (3) Allowing access to information revealing examination
61 techniques or procedures would undermine the examination process
62 and facilitate evasion of the law. Any advance notice of the
63 areas of inquiry to be explored during an examination might
64 prompt a person to conceal evidence of deficiencies or fabricate
65 evidence of compliance. Without the exemption, the Office of
66 Financial Regulation's ability to uncover misconduct and
67 evaluate policies and procedures through the examination process
68 would be significantly impaired.

69 (4) Additionally, without such an exemption the Office of
70 Financial Regulation's ability to participate in joint
71 examinations with other securities regulators would be impaired
72 as release of this information would compromise the integrity of
73 such joint examinations. The office also would not be able to
74 accept or use confidential examination techniques and procedures
75 developed by other regulators. Thus, the absence of an exemption
76 would create a situation that reduces the office's ability to
77 leverage its limited resources.

78 Section 3. This act shall take effect upon becoming a law.