

1 A bill to be entitled
2 An act relating to investments of public funds in
3 Bitcoin; creating s. 17.573, F.S.; providing
4 definitions; authorizing the Chief Financial Officer
5 to make investments in Bitcoin; authorizing the Chief
6 Financial Officer to invest money from certain public
7 funds; providing limits to such investments; providing
8 requirements for holding acquired Bitcoin; authorizing
9 the Chief Financial Officer and other parties to loan
10 Bitcoin under specified circumstances; requiring rules
11 governing such loans; requiring taxes and fees paid in
12 Bitcoin to be transferred to the General Revenue Fund;
13 requiring the General Revenue Fund to reimburse
14 designated funds in United States currency for such
15 payments; amending ss. 17.57 and 17.61, F.S.;;
16 conforming provisions to changes made by the act;
17 amending s. 121.151, F.S.; authorizing the Trustees of
18 the State Board of Administration to invest and
19 reinvest available funds of the System Trust Fund in
20 Bitcoin; providing requirements for such investments;
21 providing definitions; amending s. 280.03, F.S.;;
22 providing that investments of public funds in Bitcoin
23 are exempt from certain security requirements;
24 providing an effective date.

25

26 WHEREAS, inflation has eroded the purchasing power of
 27 assets held in state funds managed by the Chief Financial
 28 Officer and this erosion diminishes the value of the state's
 29 reserves, affecting the financial stability and economic
 30 security of this state, its taxpayers, and its residents, and

31 WHEREAS, although this state does not have direct control
 32 over the national money supply or the policies that influence
 33 inflation, it has a responsibility to safeguard Florida's
 34 financial resources against the impacts of inflation and other
 35 economic uncertainties, and

36 WHEREAS, throughout its history, Bitcoin has greatly risen
 37 in value and is becoming more widely accepted as an
 38 international medium of exchange, and countries around the
 39 world, including the United States, hold Bitcoin within their
 40 treasury departments, and

41 WHEREAS, Bitcoin is viewed as a hedge against inflation by
 42 sovereign nations and prominent investment advisors, including
 43 BlackRock, Fidelity, and Franklin Templeton, and

44 WHEREAS, this state should have access to tools such as
 45 Bitcoin to protect against inflation, NOW, THEREFORE,

46

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

48

49 **Section 1. Section 17.573, Florida Statutes, is created to**
 50 **read:**

51 17.573 Investments in Bitcoin.-

52 (1) As used in this section, the term:

53 (a) "Bitcoin" means the decentralized digital currency
54 launched in 2009 which allows online payments to be sent
55 directly from one party to another without going through a
56 financial institution. The term includes the digital asset
57 underlying Bitcoin exchange-traded products regulated by the
58 Securities and Exchange Commission.

59 (b) "Exchange-traded product" means a financial instrument
60 approved by the Securities and Exchange Commission, the
61 Commodity Futures Trading Commission, or the Department of
62 Financial Services which is traded on a national stock exchange
63 and derives its value from an underlying pool of assets,
64 including stocks, bonds, commodities, and indexes.

65 (c) "Private key" means a unique element of cryptographic
66 data used for signing transactions on a blockchain, known only
67 to the owner.

68 (d) "Secure custody solution" means a technological
69 product or blended product and service meeting all of the
70 following criteria:

71 1. The cryptographic private keys are:

72 a. Exclusively known by and accessible to the governmental
73 entity.

74 b. Contained within an encrypted environment and
75 accessible only via end-to-end encrypted channels.

76 c. Never stored on or accessible via a smartphone.

77 2. The hardware containing the cryptographic private keys
78 is maintained in at least two geographically diverse, secure
79 data centers.

80 3. A multiparty governance structure for authorizing
81 transactions is implemented, user access control is enforced,
82 and all user-initiated actions are logged.

83 4. The provider of the technological product or blended
84 product and service has implemented a disaster recovery protocol
85 ensuring access to assets if the provider becomes unavailable.

86 5. The technological product or blended product and
87 service undergoes regular code audits and penetration testing,
88 with identified vulnerabilities promptly addressed.

89 (e) "Qualified custodian" means a federal bank, a Florida
90 state-chartered bank, a trust company, a special-purpose
91 depository institution, or a company regulated by this state
92 which provides custody services for Bitcoin as part of an
93 approved exchange-traded product.

94 (2) The Chief Financial Officer may:

95 (a) Include Bitcoin and potentially other digital assets
96 to serve as stores of value and provide a hedge against
97 inflation, thereby protecting the purchasing power of state
98 funds.

99 (b) Ensure that the investment strategies employed by the
100 Chief Financial Officer align with the goal of enhancing this

101 state's economic security and financial resilience.

102 (c) Maintain flexibility in investment decisions to
103 respond to changing economic conditions and emerging
104 opportunities that may offer better protection or returns on
105 state funds.

106 (3) (a) 1. The Chief Financial Officer may invest money in
107 Bitcoin from the following funds:

108 a. The General Revenue Fund.

109 b. The Budget Stabilization Fund.

110 c. All the trust funds and all agency funds of each state
111 agency, and of the judicial branch, as defined in s. 216.011.

112 d. Funds of any board, association, or entity created by
113 the State Constitution or by law upon request of the board,
114 association, or entity.

115 e. Any other state fund deemed appropriate by the
116 Legislature.

117 2. The amount of public funds that the Chief Financial
118 Officer may invest in Bitcoin may not exceed 10 percent of the
119 total funds in any account.

120 (b) 1. The Bitcoin acquired under paragraph (a) shall be
121 held:

122 a. Directly by the Chief Financial Officer through the use
123 of a secure custody solution;

124 b. On behalf of this state by a qualified custodian; or

125 c. In the form of an exchange-traded product issued by an

126 investment company registered with the Securities and Exchange
127 Commission under the Investment Company Act of 1940, as amended.

128 2. The Chief Financial Officer, and other parties with the
129 permission of the Chief Financial Officer, may loan the Bitcoin
130 in state funds to generate additional returns for this state if
131 such loans do not increase financial risk. The Chief Financial
132 Officer shall adopt rules governing such loans.

133 (4) Taxes or fees paid to this state in Bitcoin shall be
134 transferred to the General Revenue Fund. The General Revenue
135 Fund shall reimburse the designated fund for the value of the
136 Bitcoin payment in United States currency for such taxes or
137 fees.

138 **Section 2. Paragraph (b) of subsection (1) and subsections**
139 **(2) and (7) of section 17.57, Florida Statutes, are amended to**
140 **read:**

141 17.57 Deposits and investments of state money.—

142 (1)

143 (b) The Chief Financial Officer, or other parties with the
144 permission of the Chief Financial Officer, shall:

145 1. Deposit the money of the state or any money in the
146 State Treasury in such qualified public depositories of the
147 state as will offer satisfactory collateral security for such
148 deposits, pursuant to chapter 280; or

149 2. Invest the money of the state or any money in the State
150 Treasury in Bitcoin pursuant to s. 17.573 and deposit the rest

151 of the money of the state and the State Treasury in the
152 qualified public depositories described in subparagraph 1.
153

154 It is the duty of the Chief Financial Officer, consistent with
155 the cash requirements of the state, to keep such money fully
156 invested or deposited as provided herein in order that the state
157 may realize maximum earnings and benefits. Nothing in this
158 section shall preclude credit unions designated as public
159 depositories from participation.

160 (2) (a) The Chief Financial Officer shall make funds
161 available to meet the disbursement needs of the state. Funds
162 which are not needed for this purpose shall be:

163 1. Placed in qualified public depositories that will pay
164 rates established by the Chief Financial Officer at levels not
165 less than the prevailing rate for United States Treasury
166 securities with a corresponding maturity; or

167 2. Invested in Bitcoin pursuant to s. 17.573, and the rest
168 of the funds placed in the qualified public depositories
169 described in subparagraph 1.

170 (b) In the event money is available for interest-bearing
171 time deposits or savings accounts as provided herein and
172 qualified public depositories are unwilling to accept such money
173 and pay thereon the rates established above, then such money
174 which qualified public depositories are unwilling to accept
175 shall be invested in:

- 176 1.~~(a)~~ Direct United States Treasury obligations.
- 177 2.~~(b)~~ Obligations of the Federal Farm Credit Banks.
- 178 3.~~(c)~~ Obligations of the Federal Home Loan Bank and its
179 district banks.
- 180 4.~~(d)~~ Obligations of the Federal Home Loan Mortgage
181 Corporation, including participation certificates.
- 182 5.~~(e)~~ Obligations guaranteed by the Government National
183 Mortgage Association.
- 184 6.~~(f)~~ Obligations of the Federal National Mortgage
185 Association.
- 186 7.~~(g)~~ Commercial paper of prime quality of the highest
187 letter and numerical rating as provided for by at least one
188 nationally recognized rating service.
- 189 8.~~(h)~~ Time drafts or bills of exchange drawn on and
190 accepted by a commercial bank, otherwise known as "bankers
191 acceptances," which are accepted by a member bank of the Federal
192 Reserve System having total deposits of not less than \$400
193 million or which are accepted by a commercial bank which is not
194 a member of the Federal Reserve System with deposits of not less
195 than \$400 million and which is licensed by a state government or
196 the Federal Government, and whose senior debt issues are rated
197 in one of the two highest rating categories by a nationally
198 recognized rating service and which are held in custody by a
199 domestic bank which is a member of the Federal Reserve System.
- 200 9.~~(i)~~ Corporate obligations or corporate master notes of

201 any corporation within the United States, if the long-term
 202 obligations of such corporation are rated by at least two
 203 nationally recognized rating services in any one of the four
 204 highest classifications. However, if such obligations are rated
 205 by only one nationally recognized rating service, then the
 206 obligations shall be rated in any one of the two highest
 207 classifications.

208 10.~~(j)~~ Obligations of the Student Loan Marketing
 209 Association.

210 11.~~(k)~~ Obligations of the Resolution Funding Corporation.

211 12.~~(l)~~ Mortgage-backed securities of the highest credit
 212 quality.

213 13.~~(m)~~ Asset-backed securities rated by at least two
 214 nationally recognized rating services in any one of the three
 215 highest classifications. However, if such obligations are rated
 216 by only one nationally recognized rating service, the
 217 obligations must be rated in any one of the two highest
 218 classifications.

219 14.~~(n)~~ Any obligations not previously listed which are
 220 guaranteed as to principal and interest by the full faith and
 221 credit of the United States Government or are obligations of
 222 United States agencies or instrumentalities which are rated in
 223 the highest category by a nationally recognized rating service.

224 15.~~(o)~~ Commingled no-load investment funds or no-load
 225 mutual funds in which all securities held by the funds are

226 authorized in this subsection.

227 16.~~(p)~~ Money market mutual funds as defined and regulated
228 by the Securities and Exchange Commission.

229 17.~~(q)~~ Obligations of state and local governments rated in
230 any of the four highest classifications by at least two
231 nationally recognized rating services. However, if such
232 obligations are rated by only one nationally recognized rating
233 service, then the obligations shall be rated in any one of the
234 two highest classifications.

235 18.~~(r)~~ Covered put and call options on investment
236 instruments authorized in this subsection for the purpose of
237 hedging transactions by investment managers to mitigate risk or
238 to facilitate portfolio management.

239 19.~~(s)~~ Negotiable certificates of deposit issued by
240 financial institutions whose long-term debt is rated in one of
241 the three highest categories by at least two nationally
242 recognized rating services, the investment in which shall not be
243 prohibited by any provision of chapter 280.

244 20.~~(t)~~ Foreign bonds denominated in United States dollars
245 and registered with the Securities and Exchange Commission for
246 sale in the United States, if the long-term obligations of such
247 issuers are rated by at least two nationally recognized rating
248 services in any one of the four highest classifications.
249 However, if such obligations are rated by only one nationally
250 recognized rating service, the obligations shall be rated in any

251 one of the two highest classifications.

252 21.~~(u)~~ Convertible debt obligations of any corporation
253 domiciled within the United States, if the convertible debt
254 issue is rated by at least two nationally recognized rating
255 services in any one of the four highest classifications.
256 However, if such obligations are rated by only one nationally
257 recognized rating service, then the obligations shall be rated
258 in any one of the two highest classifications.

259 22.~~(v)~~ Securities not otherwise described in this
260 subsection. However, not more than 3 percent of the funds under
261 the control of the Chief Financial Officer shall be invested in
262 securities described in this paragraph.

263 23.~~(w)~~ Derivatives of investment instruments authorized in
264 subparagraphs 1.-22 ~~paragraphs (a)-(v)~~.

265 24.~~(x)~~ Futures and options on futures, provided the
266 instruments for such purpose are traded on a securities exchange
267 or board of trade regulated by the Securities and Exchange
268 Commission or the Commodity Futures Trading Commission.

269 25. Bitcoin pursuant to s. 17.573.

270
271 These investments may be in varying maturities and may be in
272 book-entry form. Investments made pursuant to this subsection
273 may be under repurchase agreement or reverse repurchase
274 agreement. The Chief Financial Officer may hire registered
275 investment advisers and other consultants to assist in

276 investment management and to pay fees directly from investment
277 earnings. Investment securities, proprietary investment services
278 related to contracts, performance evaluation services,
279 investment-related equipment or software used directly to assist
280 investment trading or investment accounting operations including
281 bond calculators, telerates, Bloombergs, special program
282 calculators, intercom systems, and software used in accounting,
283 communications, and trading, and advisory and consulting
284 contracts made under this section are exempt from the provisions
285 of chapter 287.

286 (7) In addition to the deposits authorized under this
287 section and notwithstanding any other provisions of law, funds
288 that are not needed to meet the disbursement needs of the state
289 may be deposited, or invested under s. 17.573 and the rest of
290 the funds which is not invested under s. 17.573 may be
291 deposited, by the Chief Financial Officer in accordance with the
292 following conditions for fund deposits:

293 (a) The funds are initially deposited in a qualified
294 public depository, as defined in s. 280.02, selected by the
295 Chief Financial Officer.

296 (b) The selected depository arranges for depositing the
297 funds in financial deposit instruments insured by:

298 1. The Federal Deposit Insurance Corporation in one or
299 more federally insured banks or savings and loan associations,
300 wherever located, for the account of the state.

301 2. For credit unions designated as qualified public
302 depositories, the National Credit Union Share Insurance Fund.

303 (c) The full amount of the principal and accrued interest
304 of each financial deposit instrument is insured by the Federal
305 Deposit Insurance Corporation or, for credit unions designated
306 as qualified public depositories, the National Credit Union
307 Share Insurance Fund.

308 (d) The selected depository acts as custodian for the
309 state with respect to each financial deposit instrument issued
310 for its account.

311 **Section 3. Subsection (1) of section 17.61, Florida**
312 **Statutes, is amended to read:**

313 17.61 Chief Financial Officer; powers and duties in the
314 investment of certain funds.—

315 (1) The Chief Financial Officer shall invest all general
316 revenue funds and all the trust funds and all agency funds of
317 each state agency, and of the judicial branch, as defined in s.
318 216.011, and may, upon request, invest funds of any board,
319 association, or entity created by the State Constitution or by
320 law, except for the funds required to be invested pursuant to
321 ss. 215.44-215.53, by the procedure and in the authorized
322 securities or in Bitcoin prescribed in s. 17.57; for this
323 purpose, the Chief Financial Officer may open and maintain one
324 or more demand and safekeeping accounts in any bank or savings
325 association for the investment and reinvestment and the

326 purchase, sale, and exchange of funds and securities in the
327 accounts. Funds in such accounts used solely for investments and
328 reinvestments shall be considered investment funds and not funds
329 on deposit, and such funds shall be exempt from the provisions
330 of chapter 280. In addition, the securities or investments
331 purchased or held under the provisions of this section and s.
332 17.57 may be loaned to securities dealers and banks and may be
333 registered by the Chief Financial Officer in the name of a
334 third-party nominee in order to facilitate such loans, provided
335 the loan is collateralized by cash or United States government
336 securities having a market value of at least 100 percent of the
337 market value of the securities loaned. The Chief Financial
338 Officer shall keep a separate account, designated by name and
339 number, of each fund. Individual transactions and totals of all
340 investments, or the share belonging to each fund, shall be
341 recorded in the accounts.

342 **Section 4. Section 121.151, Florida Statutes, is amended**
343 **to read:**

344 121.151 Investments.—

345 (1) The Board of Administration, created by authority of
346 the State Constitution, shall invest and reinvest available
347 funds of the System Trust Fund in accordance with the provisions
348 of ss. 215.44-215.53.

349 (2) (a) The Board of Administration may also invest and
350 reinvest available funds of the System Trust Fund in Bitcoin.

351 The amount of funds that the board may invest and reinvest in
352 Bitcoin may not exceed 10 percent of the total funds.

353 (b) The Bitcoin acquired under paragraph (a) shall be
354 held:

355 1. Directly by the board through the use of a secure
356 custody solution;

357 2. On behalf of the board by a qualified custodian; or

358 3. In the form of an exchange-traded product issued by an
359 investment company registered with the Securities and Exchange
360 Commission under the Investment Company Act of 1940, as amended.

361 (c) As used in this subsection, the terms "Bitcoin,"
362 "exchange-traded product," "secure custody solution," and
363 "qualified custodian" have the same meanings as in s. 17.573(1).

364 **Section 5. Paragraph (f) of subsection (3) of section**
365 **280.03, Florida Statutes, is amended to read:**

366 280.03 Public deposits to be secured; prohibitions;
367 exemptions.—

368 (3) The following are exempt from the requirements of, and
369 protection under, this chapter:

370 (f) Public deposits and investments made in accordance
371 with s. 17.57(7), s. 17.573, or s. 218.415(23).

372 **Section 6.** This act shall take effect July 1, 2025.