By the Committee on Banking and Insurance; and Senator Gruters

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1   A bill to be entitled
2   An act relating to the Florida Strategic
3   Cryptocurrency Reserve; creating s. 215.991, F.S.;
4   providing a short title; creating s. 215.992, F.S.;
5   defining terms; creating s. 215.993, F.S.; authorizing
6   the Chief Financial Officer to take certain actions in
7   administering and managing the Florida Strategic
8   Cryptocurrency Reserve; requiring the Chief Financial
9   Officer to exercise judgment and care in a specified
10   manner in administering and managing the reserve;
11   authorizing payment of the reasonable cost of
12   administering and managing the reserve from a
13   specified source; authorizing the Chief Financial
14   Officer to purchase cryptocurrency for the reserve
15   only if a specified condition is met; authorizing the
16   Chief Financial Officer to contract with certain
17   third-party entities; authorizing the Chief Financial
18   Officer to invest in derivative instruments of
19   cryptocurrency under certain circumstances; specifying
20   that money in the reserve may be used only for a
21   specified purpose; authorizing the Chief Financial
22   Officer to liquidate assets of the reserve and
23   temporarily transfer the resulting moneys under
24   certain circumstances; requiring that such moneys be
25   returned as soon as practicable and in a specified
26   manner; creating the Florida Strategic Cryptocurrency
27   Reserve Advisory Committee for a specified purpose;
28   specifying the composition of the committee;
29   specifying matters the committee must advise on;

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30   specifying that members serve without compensation but

31   may be reimbursed for certain expenses; specifying

32   that members of the committee serve at the pleasure of

33   the Chief Financial Officer; requiring, beginning on a

34   specified date and biennially thereafter, the Chief

35   Financial Officer to submit a report to the

36   Legislature; specifying requirements for the report;

37   requiring the Chief Financial Officer to liquidate

38   assets of the reserve and transfer moneys to the

39   General Revenue Fund upon the termination of the

40   reserve; requiring the Chief Financial Officer to

41   adopt rules; providing a contingent effective date.

42

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

44

45   Section 1. Section 215.991, Florida Statutes, is created to

46 read:

47   215.991 Short title.—Sections 215.991-215.994 shall be

48 known and may be cited as the "Florida Strategic Cryptocurrency

49 Reserve Act."

50   Section 2. Section 215.992, Florida Statutes, is created to

51 read:

52   215.992 Definitions relating to the Florida Strategic

53 Cryptocurrency Reserve Act.—As used in this section and ss.

54 215.993 and 215.994, the term:

55   (1) "Airdrop" means a gratuitous distribution of

56 cryptocurrency to users of a blockchain or protocol, generally

57 made in a broad, equitable, and nondiscretionary manner.

58   (2) "Blockchain" means a mathematically secured,

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CODING: Words ~~stricken~~ are deletions; words <u>underlined</u> are additions.

59 chronological, decentralized, distributed, and digital ledger or
60 database that consists of records of transactions that cannot be
61 altered retroactively.
62   (3) "Cryptocurrency" means a virtual currency that is not
63 issued by any central authority, is designed to function as a
64 medium of exchange, and uses encryption technology to regulate
65 the generation of units of currency, to verify fund transfers,
66 and to prevent counterfeiting.
67   (4) "Distributed ledger" means technology in which data is
68 shared across a network that creates a public digital ledger of
69 verified transactions or information among network participants
70 and in which cryptography is used to link the data to maintain
71 the integrity of the public ledger and execute other functions.
72   (5) "Fork" means a change to the protocol of a distributed
73 ledger system which creates a separate ledger, which may result
74 in a new cryptocurrency that shares a common transaction history
75 with the previous cryptocurrency up to the point of change.
76   (6) "Governmental entity" has the same meaning as in s.
77 215.986.
78   (7) "Private key" means confidential cryptographic data
79 that allows a person or an entity to access, control, or
80 authorize transactions involving cryptocurrency or virtual
81 currency.
82   (8) "Qualified custodian" means a state financial
83 institution or a federally chartered institution or other entity
84 regulated by the state which is permitted to act as a custodian
85 of virtual currencies on behalf of clients.
86   (9) "Qualified liquidity provider" means an entity that:
87   (a) Is licensed or regulated under applicable federal or

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88 state law;
89   (b) Maintains audited financial statements prepared by an
90 independent certified public accountant;
91   (c) Has at least 5 years of experience trading in the
92 digital assets industry;
93   (d) Maintains an office and has a registered principal in
94 this state; and
95   (e) Submits to the Chief Financial Officer a certification,
96 in a form prescribed by the Chief Financial Officer, attesting
97 that it meets the criteria in paragraphs (a)-(d).
98   (10) "Reserve" means the Florida Strategic Cryptocurrency
99 Reserve established under ss. 215.993 and 215.994.
100   (11) "Secure custody solution" means a technological
101 product or a blended product and service that meets all of the
102 following criteria:
103   (a) The cryptographic private keys are:
104   1. Exclusively known by and accessible to the governmental
105 entity;
106   2. Contained within an encrypted environment and accessible
107 only through end-to-end encrypted channels; and
108   3. Not stored on, or accessible through, a smartphone.
109   (b) The hardware containing the cryptographic private keys
110 is maintained in at least two geographically diverse, secure
111 data centers.
112   (c) A multiparty governance structure for authorizing
113 transactions is implemented, user access control is enforced,
114 and all user-initiated actions are logged.
115   (d) The provider implements a disaster recovery protocol
116 ensuring state access to assets if the provider becomes

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117 unavailable.
118   (e) The technological product or blended product and
119 service undergoes regular code audits and penetration testing,
120 with identified vulnerabilities promptly addressed.
121   (12) "Virtual currency" has the same meaning as in s.
122 896.101(2).
123   Section 3. Section 215.993, Florida Statutes, is created to
124 read:
125   215.993 Administration of the Florida Strategic
126 Cryptocurrency Reserve.—
127   (1) In administering and managing the reserve, the Chief
128 Financial Officer may acquire, exchange, sell, supervise,
129 manage, or retain cryptocurrency or any other asset authorized
130 under this section and shall exercise the judgment and care that
131 a prudent investor would exercise, in light of the purposes,
132 terms, distribution requirements, and other circumstances of the
133 reserve, by considering the reserve as a whole rather than a
134 single investment. The reasonable costs of administering and
135 managing the reserve may be paid from cryptocurrency held in the
136 reserve or from the net proceeds of the sale or exchange of such
137 cryptocurrency.
138   (2) The Chief Financial Officer may purchase a
139 cryptocurrency for the reserve only if the cryptocurrency has
140 had an average market capitalization of at least $500 billion
141 during the preceding 24-month period.
142   (3) The Chief Financial Officer may contract with third-
143 party entities for the administration or management of the
144 reserve, including contracting with any of the following
145 entities:

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146   (a) A technology provider of a secure custody solution.

147   (b) A certified public accountant, to perform an

148 independent audit of the reserve.

149   (c) A qualified custodian who utilizes a secure custody

150 solution.

151   (d) A qualified liquidity provider, to facilitate the

152 purchase and sale of assets in the reserve.

153   (4) The Chief Financial Officer may invest in derivative

154 instruments of cryptocurrency authorized under s. 215.994(2)(c)

155 if the Chief Financial Officer determines that such investment

156 is in the best interest of the state.

157   (5)(a) Moneys in the reserve may be used only for

158 investment activities authorized under this section, for

159 temporary cash-management purposes authorized under paragraph

160 (b), and for paying the reasonable costs of administering and

161 managing the reserve.

162   (b) The Chief Financial Officer may liquidate assets of the

163 reserve and temporarily transfer the resulting moneys to the

164 State Treasury if required to comply with a specific

165 appropriation by operation of law or order by the Governor.

166   (c) Moneys temporarily transferred under paragraph (b) must

167 be returned to the reserve as soon as practicable, together with

168 any interest earned on such moneys while held in the State

169 Treasury.

170   (6)(a) The Florida Strategic Cryptocurrency Reserve

171 Advisory Committee is created to advise the Chief Financial

172 Officer in the administration and management of the reserve.

173   (b) The committee shall consist of five members, as

174 follows:

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175   1. The Chief Financial Officer, who shall serve as chair;
176 and
177   2. Four members appointed by the Chief Financial Officer by
178 October 1, 2026, as follows:
179   a. Three members with expertise in cryptocurrency
180 investments; and
181   b. One member with expertise in digital asset security.
182   (c) The committee shall advise on matters relating to:
183   1. The valuation of assets held in the reserve;
184   2. Prudent investment policies, including investment
185 objectives and asset allocation standards; and
186   3. Prudent custody and security practices for the reserve.
187   (d) Members of the committee shall serve without
188 compensation but may be reimbursed for per diem and travel
189 expenses in accordance with s. 112.061, if applicable.
190   (e) Members appointed by the Chief Financial Officer serve
191 at the pleasure of the Chief Financial Officer.
192   (7) Beginning December 31, 2026, and biennially thereafter,
193 the Chief Financial Officer shall submit a report to the
194 President of the Senate and the Speaker of the House of
195 Representatives which includes all of the following:
196   (a) The amount of cryptocurrency held in the reserve on the
197 last day of the preceding state fiscal year.
198   (b) The estimated monetary value of the cryptocurrency held
199 in the reserve on the last day of the preceding state fiscal
200 year.
201   (c) A summary of any changes in the amount and estimated
202 monetary value of cryptocurrency held in the reserve during the
203 preceding state fiscal year, disaggregated by cryptocurrency

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204 type.

205   (d) A description of the actions taken by the Chief

206 Financial Officer to administer and manage the reserve during

207 the preceding state fiscal year.

208   (8) Upon termination of the reserve under s. 215.994(4),

209 the Chief Financial Officer shall liquidate any remaining assets

210 of the reserve and transfer the resulting moneys to the General

211 Revenue Fund.

212   (9) The Chief Financial Officer shall adopt rules as

213 necessary to administer this section.

214   Section 4. This act shall take effect on July 1, 2026, but

215 only if SB 1040 or similar legislation takes effect, if such

216 legislation is adopted in the same legislative session or an

217 extension thereof and becomes a law.