

1 A bill to be entitled
2 An act relating to the establishment and
3 administration of a state cryptocurrency reserve;
4 creating s. 215.987, F.S.; providing definitions;
5 establishing the Florida Strategic Cryptocurrency
6 Reserve as a special fund assigned to the State Board
7 of Administration; providing for the custody,
8 administration, and management of the reserve;
9 providing sources of the reserve; authorizing the
10 Legislature to appropriate funds for deposit to the
11 credit of the reserve for specified purposes;
12 authorizing the executive director of the board to pay
13 certain costs using the cryptocurrency in the reserve
14 or the net proceed from the sale of cryptocurrency in
15 the reserve; providing for investment of money in the
16 reserve; authorizing transfer of the reserve money to
17 the State Treasury under certain circumstances;
18 providing requirements for cryptocurrency to be
19 purchased for the reserve; authorizing contracts with
20 third parties for the administration or management of
21 the reserve; authorizing the executive director to use
22 derivatives under certain circumstances; authorizing
23 contracts with certified public accountants for
24 independent audits; establishing the Florida Strategic
25 Cryptocurrency Reserve Advisory Committee within the

board; providing for committee membership; providing duties and terms of committee members; providing reporting requirements; requiring the board to adopt rules; providing an effective date.

WHEREAS, cryptocurrencies are assets with strategic potential for enhancing this state's financial resilience and positioning this state for the future digital economy, and

WHEREAS, cryptocurrencies can serve as a hedge against inflation and economic volatility, and

WHEREAS, the establishment of a cryptocurrency reserve serves the public purpose of providing enhanced financial security to residents of this state, NOW, THEREFORE,

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

Section 1. Section 215.987, Florida Statutes, is created to read:

215.987 State cryptocurrency reserve.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Airdrop" means a gratuitous distribution of cryptocurrency to users of a blockchain or protocol, generally made in a broad, equitable, and nondiscretionary manner.

(b) "Blockchain" means a mathematically secured, chronological, decentralized, distributed, and digital ledger or

51 database that consists of records of transactions that cannot be
52 altered retroactively.

53 (c) "Committee" means the Florida Strategic Cryptocurrency
54 Reserve Advisory Committee established in this section.

55 (d) "Cryptocurrency" means a virtual currency that is not
56 issued by any central authority, is designed to function as a
57 medium of exchange, and uses encryption technology to regulate
58 the generation of units of currency, to verify fund transfers,
59 and to prevent counterfeiting.

60 (e) "Distributed ledger" means technology in which data is
61 shared across a network that creates a public digital ledger of
62 verified transactions or information among network participants
63 and cryptography is used to link the data to maintain the
64 integrity of the public ledger and execute other functions.

65 (f) "Fork" means a change to the protocol of a distributed
66 ledger system which creates a separate ledger, which may result
67 in a new cryptocurrency that shares a common transaction history
68 with the previous cryptocurrency up to the point of change.

69 (g) "Governmental entity" has the same meaning as in s.
70 215.986(1).

71 (h) "Private key" means a unique element of cryptographic
72 data used for signing transactions on blockchain, known only to
73 the owner.

74 (i) "Qualified custodian" means a state or federally
75 chartered financial institution or other entity regulated by

76 this state which is authorized to have custody of virtual
77 currencies on behalf of its clients.

78 (j) "Qualified liquidity provider" means an entity that
79 meets all of the following requirements:

80 1. Is licensed or regulated under applicable federal or
81 state law.

82 2. Maintains audited financial statements prepared by a
83 regulated auditor.

84 3. Has at least 5 years of experience trading in the
85 digital assets industry.

86 4. Maintains an office and has registered principal in
87 this state.

88 5. Has certified in a manner prescribed by the State Board
89 of Administration that the provider meets the requirements of
90 subparagraphs 1.-4.

91 (k) "Reserve" means the Florida Strategic Cryptocurrency
92 Reserve established in this section.

93 (l) "Secure custody solution" means a technological
94 product or blended product and service meeting all of the
95 following criteria:

96 1. The cryptographic private keys are:

97 a. Exclusively known by and accessible to the governmental
98 entity or the qualified custodian.

99 b. Contained within an encrypted, hardware-secured
100 environment and used only to sign and authorize cryptocurrency

101 transactions through end-to-end encrypted channels.

102 c. Never stored on or accessible through a smartphone.

103 2. The hardware containing the cryptographic private keys
104 is maintained in a secure data center. As used in this
105 subparagraph, the term "secure data center" means a physical
106 facility that maintains third-party certifications, uses
107 certified cryptographic hardware, enforces physical and
108 environmental security, and ensures logical isolation.

109 3. A multiparty governance structure for authorizing
110 transactions is implemented, user access control is enforced,
111 and all user-initiated actions are logged. A smartphone may be
112 used, but only to authenticate authorized users of the secure
113 custody solution, including through biometric authentication.

114 4. The provider of the technological product or blended
115 product and service has implemented a disaster recovery protocol
116 ensuring state access to assets if the provider becomes
117 unavailable.

118 5. The technological product or blended product and
119 service undergoes regular code audits and penetration testing,
120 with identified vulnerabilities promptly addressed.

121 (2) ESTABLISHMENT; ADMINISTRATION.—

122 (a) The Florida Strategic Cryptocurrency Reserve is
123 established as a special fund assigned to the State Board of
124 Administration. The executive director of the board has custody
125 of and shall administer and manage the reserve. The reserve

consists of:

1. Money transferred or deposited to the credit of the reserve by legislative appropriation.

2. Revenue that the Legislature by general law dedicates for deposit to the credit of the reserve.

3. Cryptocurrency purchased using money in or received by the reserve, including any cryptocurrency:

a. Derived from the fork of a distributed ledger; or

b. Distributed pursuant to an airdrop to this state's cryptocurrency addresses.

4. Investment earnings and interest or rewards earned on assets in the reserve.

(b) To administer and manage the reserve, the executive director may acquire, exchange, sell, supervise, manage, or retain any kind of investments that a prudent investor exercising reasonable care, skill, and caution would acquire, exchange, sell, supervise, manage, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing for the reserve, taking into consideration the investment of all the assets of the reserve rather than a single investment.

(c) The Legislature may appropriate funds for deposit to the credit of the reserve for the purposes of:

1. Investing in cryptocurrency.

2. Administering and managing the reserve.

151 (d) The executive director may spend cryptocurrency in the
152 reserve or use the net proceed from the sale of cryptocurrency
153 in the reserve to pay the reasonable costs associated with
154 administering and managing the reserve.

155 (e) Money in the reserve may be invested with the State
156 Treasury pool.

157 (f) The executive director may transfer money in the
158 reserve to the State Treasury only when authorized by the
159 Legislature in the General Appropriations Act or other law.

160 (3) MARKET CAPITALIZATION REQUIREMENT.—To be eligible to
161 be purchased for the reserve, a cryptocurrency must have an
162 average market capitalization of at least \$100 billion over the
163 most recent 12-month period.

164 (4) THIRD-PARTY CONTRACTS AND PERMISSIBLE TRANSACTIONS;
165 AUDITS.—

166 (a) The executive director may contract with one or more
167 third-party entities for the administration or management of the
168 reserve, including:

169 1. A technology provider of a secure custody solution.

170 2. A qualified custodian that uses a secure custody
171 solution.

172 3. A qualified liquidity provider to facilitate the
173 purchase and sale of assets in the reserve.

174 (b) If the executive director determines it is in the best
175 interest of the reserve, the executive director may use

176 derivatives.

177 (c) The executive director may contract with a certified
178 public accountant to perform an independent audit of the
179 reserve.

180 (5) FLORIDA STRATEGIC CRYPTOCURRENCY RESERVE ADVISORY
181 COMMITTEE.—

182 (a) There is established the Florida Strategic
183 Cryptocurrency Reserve Advisory Committee within the State Board
184 of Administration.

185 (b) The committee shall be composed of the following five
186 members:

187 1. The executive director, who shall serve as the chair.

188 2. Four members appointed by the board as a resource to
189 the Board of Trustees of the State Board of Administration,
190 subject to confirmation by the Senate, as follows:

191 a. Three members with expertise in cryptocurrency
192 investments.

193 b. One member with expertise in digital asset security.

194 (c) The committee shall advise the executive director
195 regarding the administration and management of the reserve,
196 including:

197 1. Recommendations for valuing assets in the reserve.

198 2. The establishment of prudent investment policies
199 relating to the investment objectives of and asset allocation in
200 the reserve.

201 3. Recommendations for the establishment of prudent
202 custody and security policies for the reserve.

203 (d) A member of the committee is not entitled to receive
204 compensation for service on the committee.

205 (e) Appointed members shall serve for 4-year terms. A
206 vacancy shall be filled for the remainder of the unexpired term
207 in the same manner as the original appointment.

208 (6) BIENNIAL REPORT.—

209 (a) No later than December 31 of each even-numbered
210 calendar year, the executive director shall publish and submit
211 to the President of the Senate and the Speaker of the House of
212 Representatives a report that includes:

213 1. The amount of cryptocurrency held in the reserve on the
214 last day of the preceding fiscal year biennium.

215 2. An estimate of the monetary value of the cryptocurrency
216 held in the reserve on the last day of the preceding fiscal year
217 biennium.

218 3. Any changes in the amount and estimated monetary value
219 of cryptocurrency in the reserve during the period the
220 cryptocurrency has been held in the reserve, disaggregated by
221 the cryptocurrency type.

222 4. A description of the actions taken by the executive
223 director to administer and manage the reserve during the
224 preceding fiscal year biennium.

225 (7) RULEMAKING.—The State Board of Administration shall

226 | adopt rules as necessary to administer the Florida Strategic
227 | Cryptocurrency Reserve.

228 | **Section 2.** This act shall take effect July 1, 2026.