

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 Fund as a special fund assigned to the State  
7           Board of Administration; providing the objective of  
8           the reserve; providing for the custody,  
9           administration, and management of the reserve;  
10          providing sources of the reserve; authorizing the  
11          Legislature to appropriate funds for deposit to the  
12          credit of the reserve for specified purposes;  
13          authorizing the board to pay certain costs using the  
14          cryptocurrency in the reserve or the net proceed from  
15          the sale of cryptocurrency in the reserve; authorizing  
16          transfer of the reserve money to the State Treasury  
17          under certain circumstances; authorizing the board to  
18          dispose of certain cryptocurrency received by the  
19          reserve; providing requirements for cryptocurrency to  
20          be purchased for the reserve; authorizing contracts  
21          with third parties for the administration or  
22          management of the reserve; authorizing the board to  
23          use derivatives under certain circumstances;  
24          authorizing contracts with certified public  
25          accountants for independent audits; establishing the

26 Florida Strategic Cryptocurrency Reserve Fund Advisory  
 27 Committee within the board; providing for committee  
 28 membership; providing duties and terms of committee  
 29 members; providing construction; requiring the board  
 30 to adopt rules; amending s. 215.44, F.S.; requiring  
 31 the board to provide to the Legislature certain  
 32 information relating to the reserve; providing an  
 33 effective date.

34  
 35 WHEREAS, cryptocurrencies are assets with strategic  
 36 potential for enhancing this state's financial resilience and  
 37 positioning this state for the future digital economy, and

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

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

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

45  
 46 **Section 1. Section 215.987, Florida Statutes, is created**  
 47 **to read:**

48 215.987 State cryptocurrency reserve fund.-

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

50 (a) "Airdrop" means a gratuitous distribution of

51 cryptocurrency to users of a blockchain or protocol, generally  
52 made in a broad, equitable, and nondiscretionary manner.

53 (b) "Blockchain" means a mathematically secured,  
54 chronological, decentralized, distributed, and digital ledger or  
55 database that consists of records of transactions that cannot be  
56 altered retroactively.

57 (c) "Board" means the State Board of Administration.

58 (d) "Committee" means the Florida Strategic Cryptocurrency  
59 Reserve Fund Advisory Committee established in this section.

60 (e) "Cryptocurrency" means a virtual currency that is not  
61 issued by any central authority, is designed to function as a  
62 medium of exchange, and uses encryption technology to regulate  
63 the generation of units of currency, to verify fund transfers,  
64 and to prevent counterfeiting.

65 (f) "Distributed ledger" means technology in which data is  
66 shared across a network that creates a public digital ledger of  
67 verified transactions or information among network participants  
68 and cryptography is used to link the data to maintain the  
69 integrity of the public ledger and execute other functions.

70 (g) "Fork" means a change to the protocol of a distributed  
71 ledger system which creates a separate ledger, which may result  
72 in a new cryptocurrency that shares a common transaction history  
73 with the previous cryptocurrency up to the point of change.

74 (h) "Governmental entity" has the same meaning as in s.  
75 215.986(1).

76           (i) "Private key" means a unique element of cryptographic  
 77 data used for signing transactions on blockchain.

78           (j) "Qualified custodian" means a state or federally  
 79 chartered financial institution or other entity regulated by  
 80 this state which is authorized to have custody of virtual  
 81 currencies on behalf of its clients.

82           (k) "Qualified liquidity provider" means an entity that  
 83 meets all of the following requirements:

84           1. Is licensed or regulated under applicable federal or  
 85 state law.

86           2. Maintains audited financial statements prepared by a  
 87 regulated auditor.

88           3. Has at least 5 years of experience trading in the  
 89 digital assets industry.

90           4. Maintains an office and has registered principal in  
 91 this state.

92           5. Has certified in a manner prescribed by the board that  
 93 the provider meets the requirements of subparagraphs 1.-4.

94           (l) "Reserve" means the Florida Strategic Cryptocurrency  
 95 Reserve Fund established in this section.

96           (m) "Secure custody solution" means a technological  
 97 product or blended product and service meeting all of the  
 98 following criteria:

99           1. The cryptographic private keys are:

100           a. Exclusively known by and accessible to the governmental

101 entity or the qualified custodian.

102 b. Contained within an encrypted, hardware-secured  
103 environment and used only to sign and authorize cryptocurrency  
104 transactions through end-to-end encrypted channels.

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

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

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

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

121 5. The technological product or blended product and  
122 service undergoes regular code audits and penetration testing,  
123 with identified vulnerabilities promptly addressed.

124 (2) ESTABLISHMENT; ADMINISTRATION.—

125 (a) The Florida Strategic Cryptocurrency Reserve Fund is

126 established as a special fund assigned to the board. The  
127 objective of the reserve is to grow the reserve as much as  
128 possible to ensure the long-term financial sovereignty of this  
129 state. The board has custody of and shall administer and manage  
130 the reserve. The reserve consists of:

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

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

135 3. Cryptocurrency purchased using money in or received by  
136 the reserve, including:

137 a. Cryptocurrency derived from the fork of a distributed  
138 ledger, the retention of which has been approved by the board;  
139 or

140 b. Cryptocurrency distributed pursuant to an airdrop to  
141 this state's cryptocurrency addresses, the retention of which  
142 has been approved by the board.

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

145 (b) To administer and manage the reserve, the board may  
146 acquire, exchange, sell, supervise, manage, or retain authorized  
147 investments that a prudent investor exercising reasonable care,  
148 skill, and caution would acquire, exchange, sell, supervise,  
149 manage, or retain in light of the objective of the reserve,  
150 taking into consideration the investment of all the assets of

151 the reserve rather than a single investment.

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

154 1. Investing in cryptocurrency.

155 2. Administering and managing the reserve.

156 (d) The board may spend cryptocurrency in the reserve or  
157 use the net proceed from the sale of cryptocurrency in the  
158 reserve to pay the reasonable costs associated with  
159 administering and managing the reserve. Costs and fees of the  
160 board for investment services shall be deducted from the  
161 reserve.

162 (e) The board may transfer money in the reserve to the  
163 State Treasury only when authorized by the Legislature in the  
164 General Appropriations Act or other law.

165 (f) Cryptocurrency received by the reserve which is not  
166 compliant with applicable federal or state law may be disposed  
167 of by the board in accordance with applicable law.

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

172 (4) THIRD-PARTY CONTRACTS AND PERMISSIBLE TRANSACTIONS;  
173 AUDITS.—

174 (a) The board may contract with one or more third-party  
175 entities for the administration or management of the reserve,

176 including:

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

178 2. A qualified custodian that uses a secure custody  
179 solution.

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

182 (b) If the board determines it is in the best interest of  
183 the reserve, the board may use derivatives.

184 (c) The board may contract with a certified public  
185 accountant to perform an independent audit of the reserve.

186 (5) FLORIDA STRATEGIC CRYPTOCURRENCY RESERVE FUND ADVISORY  
187 COMMITTEE.—

188 (a) There is established the Florida Strategic  
189 Cryptocurrency Reserve Fund Advisory Committee within the board.

190 (b) The committee shall be composed of the following five  
191 members as a resource to the board of trustees of the board,  
192 subject to confirmation by the Senate, as follows:

193 1. The executive director of the board, who shall serve as  
194 chair.

195 2. Three members appointed by the board with expertise in  
196 cryptocurrency investments.

197 3. One member appointed by the board with expertise in  
198 digital asset security.

199 (c) The committee shall advise the board regarding the  
200 administration and management of the reserve, including:

201 1. Recommendations for valuing assets in the reserve.

202 2. The establishment of prudent investment policies  
203 relating to the investment objectives of and asset allocation in  
204 the reserve.

205 3. Recommendations for the establishment of prudent  
206 custody and security policies for the reserve.

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

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

212 (6) NO PRIVATE CAUSE OF ACTION.—This section does not  
213 create a private cause of action related to compliance with the  
214 requirements of this section.

215 (7) RULEMAKING.—The board shall adopt rules as necessary  
216 to administer the Florida Strategic Cryptocurrency Reserve Fund.

217 **Section 2. Paragraph (g) is added to subsection (5) of**  
218 **section 215.44, Florida Statutes, to read:**

219 215.44 Board of Administration; powers and duties in  
220 relation to investment of trust funds.—

221 (5) On or before January 1 of each year, the board shall  
222 provide to the Legislature a report including the following  
223 items for each fund which, by law, has been entrusted to the  
224 board for investment:

225 (g) With respect to the Florida Strategic Cryptocurrency

226 Reserve Fund, the following information:

227 1. The amount of cryptocurrency held in the reserve on the  
 228 last day of the preceding fiscal year.

229 2. An estimate of the monetary value of the cryptocurrency  
 230 held in the reserve on the last day of the preceding fiscal  
 231 year.

232 3. Any changes in the amount and estimated monetary value  
 233 of cryptocurrency in the reserve during the period the  
 234 cryptocurrency has been held in the reserve, disaggregated by  
 235 the cryptocurrency type.

236 4. A description of the actions taken by the board to  
 237 administer and manage the reserve during the preceding fiscal  
 238 year.

239 **Section 3.** This act shall take effect January 1, 2027.