

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 1040

INTRODUCER: Banking and Insurance Committee and Senator Gruters

SUBJECT: Trust Funds/Florida Cryptocurrency Reserve

DATE: January 29, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Moody	Knudson	BI	Fav/CS
2.			AEG	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1040 establishes the Florida Strategic Cryptocurrency Reserve (the “reserve”), a trust fund within the Chief Financial Officer’s (CFO) office that will hold cryptocurrency investments as authorized in CS/SB 1038. The bill lists the types of assets that may be held in the reserve. The bill provides the purpose for the reserve. The reserve will terminate on July 1, 2030, unless it is terminated sooner, and must be reviewed before it’s terminated.

The bill is expected to have a fiscal impact on state government. See Section V. Fiscal Impact Statement.

The bill is effective on the same date that CS/SB 1038 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law

II. Present Situation:

Chief Financial Officer

The Chief Financial Officer (CFO) serves as the chief fiscal officer of the state, responsible for settling and approving all accounts against the state and keeping all state funds and securities.¹ The Legislature may, by law, prescribe additional powers and duties for the CFO.

¹ Section 4(c), Art. IV, Florida Constitution; Section 17.001, F.S.

The CFO oversees the state's accounting, auditing, and investment functions.² Under current law, the CFO is responsible for investing general revenue funds, trust funds, agency funds of each state agency and the judicial branch, and may upon request invest funds of any board, association, or entity created by the State Constitution or by law, except for funds required to be invested by the SBA.³

When the CFO decides whether to invest and when investing, the CFO must make decisions based solely on pecuniary factors⁴ and may not subordinate the interests of the people of this state to other objectives.⁵ Funds that are not needed to meet the disbursement needs of the state must be placed in qualified public depositories (QPD) that will pay rates established by the CFO at levels not less than the prevailing rate for United States Treasury securities with a corresponding maturity.⁶ If money is available for investment and QPDs are unwilling to accept such money and pay the established rates, then the money must be invested in a specified list of assets, such as:

- Direct United States Treasury Obligations;
- Obligations of the Federal Farm Credit Banks, Federal Home Loan Bank, Federal National Mortgage Association;
- Money market mutual funds;
- Convertible debt obligations of any corporations domiciled within the United States;
- Securities;
- Derivatives of investment instruments authorized in current law; and
- Certain futures and options on futures.⁷

Digital Currency

Digital currency, also known as virtual currency, is a virtual representation of a value, stored in electronic form, that is not available in physical form but which can be used as a medium of exchange, a unit of account, or a store of value. Cryptocurrencies, such as Bitcoin,⁸ are a subset of digital currencies.⁹ Most people buy and sell cryptocurrency through exchanges, such as

² See Florida Department of Financial Services, *About the Agency*, [About the Florida Department of Financial Services | MyFloridaCFO](#) (last visited Jan. 17, 2026).

³ Section 17.61, F.S.

⁴ Section 17.57(1)(a), F.S., defines “pecuniary factor” as a factor that the CFO, or other party authorized to invest on his or her behalf, prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy.

⁵ Section 17.57(1)(c), F.S.

⁶ Section 17.57(2), F.S.

⁷ *Id.*

⁸ Bitcoin is a decentralized digital currency created in 2009. It is global and limited to 21 million units total. Like other decentralized digital currencies, it is not issued or backed by a government or central bank, and users can store Bitcoin online through exchanges or more securely using private keys. Samara Cohen et al., *Bitcoin: A Unique Diversifier*, BlackRock, <https://www.blackrock.com/us/financial-professionals/literature/whitepaper/bitcoin-a-unique-diversifier.pdf> (last visited Jan. 18, 2026).

⁹ Westlaw, *Definition of virtual currency*, <https://1.next.westlaw.com/Document/11c0f4fc4505011e89bf199c0ee06c731/View/FullText.html?ppcid=d154a21215fa49b2b97bc6db2c6392a5&originationContext=knowHow&transitionType=KnowHowItem&contextData=%28sc.Default%29> (last visited Jan. 17, 2026).

Coinbase or Crypto.com.¹⁰ Cryptocurrency can also be received by airdrop which is when a blockchain, usually a startup, distributes a small amount of free coins or tokens directly to wallet addresses as a promotional strategy to increase awareness and use of the cryptocurrency.¹¹

Digital currencies are stored in digital wallets, typically software or apps installed by users on their computer or mobile device. Each digital wallet contains encrypted information that is used to send and receive the digital currency.¹² Digital currency transactions are recorded on a virtual public ledger called the "blockchain," which is maintained by digital currency "miners." Miners receive digital currency in exchange for verifying each transaction and adding it to the blockchain.¹³ A fork occurs when a blockchain changes the way it operates. A hard fork splits a blockchain into two blockchains with each blockchain operating independently, whereas a soft fork occurs when a blockchain modifies its rules but does not split. The entire community usually accepts the new rules when a soft fork happens.¹⁴

Federal Law

On March 6, 2025, President Trump signed an executive order (the "Executive Order") that established a Strategic Bitcoin Reserve which is capitalized with all Bitcoin held by the Department of Treasury that was finally forfeited as part of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by any executive department or agency and is not needed for other specified reasons. The Strategic Bitcoin Reserve consists of approximately 207,189 Bitcoin with an estimated value of \$19.72 billion.¹⁵

The Executive Order also established an office known as the "United States Digital Asset Stockpile" (the "Stockpile") to administer and maintain control of custodial accounts that are capitalized with all digital assets owned by the Department of Treasury, other than Bitcoin that were finally forfeited as part of criminal or civil asset forfeiture proceedings and that are not needed to satisfy certain requirements.¹⁶ The Stockpile consists of cryptocurrencies (such as Ethereum or Solana), stablecoin, non-fungible tokens, and potentially other tokenized assets.¹⁷

Florida Law

A money services business that receives virtual currency for the purpose of acting as an intermediary to transmit virtual currency from one person to another location or person is

¹⁰ Hooson, M., *How to Buy Cryptocurrency*, Forbes, Dec. 17, 2025, available at: [How To Buy Cryptocurrency – Forbes Advisor](#) (last visited Jan. 20, 2026).

¹¹ The Investopedia Team, *Guide to Cryptocurrency Airdrops: How They Work and What to Expect*, Investopedia, Aug. 10, 2025, available at: [Guide to Cryptocurrency Airdrops: How They Work and What to Expect](#) (last visited Jan. 20, 2026).

¹² NCSL, *Cryptocurrency, Digital or Virtual Currency and Digital Assets 2025 Legislation*, <https://www.ncsl.org/financial-services/cryptocurrency-digital-or-virtual-currency-and-digital-assets-2025-legislation> (last visited Jan. 17, 2026).

¹³ *Id.*

¹⁴ Fidelity, *What Is a Hard Fork in Crypto?*, Jan. 3, 2024, available at: [What is a hard fork in crypto? | Hard fork vs soft fork | Fidelity](#) (last visited Jan. 20, 2026) (hereinafter cited as "Fidelity Article: What Is a Hard Fork in Crypto?").

¹⁵ BitBO, *USA Bitcoin Reserve Tracker*, available at: [US Bitcoin Reserve](#) (last visited Jan. 17, 2026).

¹⁶ Authenticated U.S. Government Information GPO, *Executive Order 14233-Establishment of the Strategic Bitcoin Reserve and United States Digital Asset Stockpile*, March 6, 2025, available at: [DCPD-202500335.pdf](#) (last visited Jan. 17, 2026).

¹⁷ DigitalFinanceNews.com, *Managing the U.S. Digital Asset Stockpile: Operational Complexities, Accounting Challenges, and Regulatory Implications*, July 1, 2025, available at: [Managing the U.S. Digital Asset Stockpile: Operational Complexities, Accounting Challenges, and Regulatory Implications – Digital Finance News](#) (last visited Jan. 18, 2026).

regulated as a money transmitter in this state.¹⁸ Virtual currency is defined in ch. 560, F.S., relating to the regulation of money services businesses, as a medium of exchange in electronic or digital format that is not currency. The term does not include a medium of exchange in electronic or digital format that is:

- Issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform; or
- Used exclusively as part of a consumer affinity or rewards program and can be applied solely converted into or redeemed for currency or another medium of exchange.¹⁹

The Florida Money Laundering Act defines “virtual currency” as a medium of exchange in electronic or digital format that is not a coin or currency of the United States or any other country.²⁰

State Reserves

Florida does not currently have a virtual currency or cryptocurrency reserve. Texas,²¹ New Hampshire,²² and Arizona²³ have adopted laws creating a reserve for Bitcoin or digital assets, or both. Several states have pending legislation creating a digital asset or cryptocurrency reserve or authorizing public funds to be invested in such assets.²⁴

III. Effect of Proposed Changes:

Section 1 of CS/SB 1040 establishes the trust fund that will hold the assets of the Florida Strategic Cryptocurrency Reserve created in CS/SB 1038. The reserve consists of the following assets:

- Money transferred or deposited by legislative appropriation for the purposes of:
 - Investing in cryptocurrency; and
 - Administering and managing the reserve. Administering the reserve includes being responsible for and supervising the custody, consultants, external managers, and software related to the implementation of the reserve.
- Revenue that the Legislature by general law dedicates for deposit to the reserve.
- Cryptocurrency purchased using money in or received by the reserve, including any cryptocurrency:
 - Derived from the fork of a distributed ledger; or
 - Distributed from an airdrop to the state’s cryptocurrency addresses.
- Investment earnings, interest, or rewards accruing on reserve moneys that are not invested in cryptocurrency, which earnings, interest, or rewards may be invested as provided in current law.²⁵

The bill provides the purpose of the reserve is to:

¹⁸ Section 560.103(24), F.S.

¹⁹ Section 560.103(36), F.S.

²⁰ Section 896.101(2)(j), F.S.

²¹ Tex. Gov’t Code Ann ss. 403.701-403.709 (Subchapter V) (2025) (establishing Texas Strategic Bitcoin Reserve).

²² N.H. Rev. Stat. Ann. (RSA) s. 6:8-d (2025) (establishing the Strategic Reserve).

²³ Ariz. Rev. Stat. Ann. s. 41-180 (2025) (establishing Bitcoin and Digital Assets Reserve Fund).

²⁴ See AZ S.B. 1042 (2026), IL H.B. 1844 (2025-2026), MD H.B. 51 (2026), MI H.B. 4087 (2025-2026), OH H.B. 18 (136th GA), OH S.B. 57 (136th GA), PA H.B. 2664 (2025), TN H.B. 1695 (2026), WV S.B. 143 (2026).

²⁵ See s. 17.57, F.S.; *Supra* notes 6 and 7.

- Acquire, hold, manage, and dispose of cryptocurrency and any assets authorized in the bill or in s. 215.993, F.S., created in CS/SB 1038 for the benefit of the state;
- Strengthen the state's financial security and resilience;
- Diversify the state's investment portfolio, including providing a potential hedge against inflation and economic volatility; and
- Position the state to participate in and adapt to the emerging digital economy.

The bill terminates the reserve on July 1, 2030, unless it is terminated sooner,²⁶ and requires the reserve to be reviewed before its scheduled termination.²⁷

Section 2 provides is effective on the same date that CS/SB 1038 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

The Florida Constitution requires three-fifths vote of the membership of each house of the legislature in a separate bill for that purpose only.²⁸ Trust funds must terminate not more than four years after the trust fund is created.²⁹ All cash balances and income of any trust funds abolished under this subsection must be deposited into the general revenue fund.³⁰

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

²⁶ Section 19(f)(2), Art. III, Fla. Const.

²⁷ Section 215.3206(1) and (2), F.S.

²⁸ Section 19(f)(1), Art. III, Fla. Const.

²⁹ Section 19(f)(2), Art. III, Fla. Const.

³⁰ Section 19(f)(4), Art. III, Fla. Const.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Financial Services (DFS) reports the bill will have a fiscal impact to state government. The DFS reports “[t]he potential revenue impact may include investment revenues (gains or losses)” and “[t]he potential expenditure impact may include the funding of the investment into cryptocurrencies by the Legislature (not yet determined).” The DFS would need to hire “appropriate industry leaders and software providers” to facilitate investment in cryptocurrencies.³¹

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 215.994

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance Committee on January 28, 2026:

- Moves the trust fund out of the State Bond Act and into the Florida Strategic Cryptocurrency Reserve Act with the other sections in SB 1038.
- Clarifies the scope of administering the reserve, and the purpose of the reserve.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

³¹ The DFS, *Department of Financial Services 2026 Legislative Bill Analysis for SB 1040*, p. 2-3, Jan. 9, 2026 (on file with Senate Committee on Banking and Insurance).