

By the Committee on Banking and Insurance; and Senator Martin

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A bill to be entitled

An act relating to the Office of Financial Regulation; creating s. 494.00123, F.S.; defining terms; requiring loan originators, mortgage brokers, and mortgage lenders to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; providing requirements for such programs; requiring loan originators, mortgage brokers, and mortgage lenders to establish written incident response plans for specified purposes; providing requirements for such plans; providing applicability; providing compliance requirements under specified circumstances; requiring loan originators, mortgage brokers, and mortgage lenders to maintain copies of information security programs for a specified timeframe and to make them available to the Office of Financial Regulation under certain circumstances; requiring loan originators, mortgage brokers, and mortgage lenders and certain entities to conduct investigations of cybersecurity events under certain circumstances; providing requirements for such investigations; providing requirements for records and documentation maintenance; providing requirements for notices of security breaches; providing construction; providing rulemaking authority; amending s. 494.00255, F.S.; providing additional acts that constitute a ground for specified disciplinary actions against loan

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originators and mortgage brokers; amending s. 517.021, F.S.; revising the definition of the term "investment adviser" and defining terms; amending s. 517.061, F.S.; defining terms; creating s. 520.135, F.S.; specifying that the rights and obligation of parties with respect to a surrendered or repossessed motor vehicle are exclusively governed by certain provisions; amending s. 560.114, F.S.; specifying the entities that are subject to certain disciplinary actions and penalties; revising the list of actions by money services businesses which constitute grounds for certain disciplinary actions and penalties; requiring, rather than authorizing, the office to suspend licenses of money services businesses under certain circumstances; creating s. 560.1311, F.S.; defining terms; requiring money services businesses to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; providing requirements for such programs; requiring money services businesses to establish written incident response plans for specified purposes; providing requirements for such plans; providing applicability; providing compliance requirements under specified circumstances; requiring money services businesses to maintain copies of information security programs for a specified timeframe and to make them available to the office under certain circumstances; requiring money services

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businesses and certain entities to conduct investigations of cybersecurity events under certain circumstances; providing requirements for such investigations; providing requirements for records and documentation maintenance; providing requirements for notices of security breaches; providing construction; providing rulemaking authority; creating s. 655.0171, F.S.; defining terms; requiring financial institutions to take measures to protect and secure certain data that contain personal information; providing requirements for notices of security breaches to the office, the Department of Legal Affairs, certain individuals, and certain credit reporting agencies; amending s. 655.045, F.S.; revising the timeline for the mailing of payment for salary and travel expenses of certain field staff; amending s. 657.005, F.S.; revising requirements for permission to organize credit unions; amending s. 657.024, F.S.; authorizing meetings of credit union members to be held virtually without an in-person quorum and authorizing virtual attendance to satisfy quorum requirements under certain circumstances; amending s. 657.042, F.S.; removing provisions that impose limitations on investments in real estate and equipment for credit unions; amending s. 658.21, F.S.; revising requirements and factors for approving applications for organizing banks and trust companies; amending s. 658.33, F.S.; revising requirements for directors of certain banks and trust companies; amending s.

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662.141, F.S.; revising the timeline for the mailing of payment for the salary and travel expenses of certain field staff; amending s. 517.12, F.S.; conforming a cross-reference; providing an effective date.

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

Section 1. Section 494.00123, Florida Statutes, is created to read:

494.00123 Information security programs; cybersecurity event investigations.—

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

(a) "Customer" means a person who seeks to obtain or who obtains or has obtained a financial product or service from a licensee.

(b) "Customer information" means any record containing nonpublic personal information about a customer of a financial transaction, whether on paper, electronic, or in other forms, which is handled or maintained by or on behalf of the licensee or its affiliates.

(c) "Cybersecurity event" means an event resulting in unauthorized access to, or disruption or misuse of, an information system, information stored on such information system, or customer information held in physical form.

(d) "Financial product or service" means any product or service offered by a licensee under this chapter.

(e) "Information security program" means the administrative, technical, or physical safeguards used to

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117 access, collect, distribute, process, protect, store, use,
118 transmit, dispose of, or otherwise handle customer information.

119 (f) "Information system" means a discrete set of electronic
120 information resources organized for the collection, processing,
121 maintenance, use, sharing, dissemination, or disposition of
122 electronic information, as well as any specialized system such
123 as an industrial process control system, telephone switching and
124 private branch exchange system, or environmental control system,
125 which contain customer information or which are connected to a
126 system that contains customer information.

127 (g) "Licensee" means a person licensed under this chapter.

128 (h)1. "Nonpublic personal information" means:

129 a. Personally identifiable financial information; and

130 b. Any list, description, or other grouping of customers
131 which is derived using any personally identifiable financial
132 information that is not publicly available, such as account
133 numbers, including any list of individuals' names and street
134 addresses which is derived, in whole or in part, using
135 personally identifiable financial information that is not
136 publicly available.

137 2. The term does not include:

138 a. Publicly available information, except as included on a
139 list, description, or other grouping of customers described in
140 sub-subparagraph 1.b.;

141 b. Any list, description, or other grouping of consumers,
142 or any publicly available information pertaining to such list,
143 description, or other grouping of consumers, which is derived
144 without using any personally identifiable financial information
145 that is not publicly available; or

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146 c. Any list of individuals' names and addresses which
147 contains only publicly available information, is not derived, in
148 whole or in part, using personally identifiable financial
149 information that is not publicly available, and is not disclosed
150 in a manner that indicates that any of the individuals on the
151 list is a customer of a licensee.

152 3. As used in this paragraph, the term:

153 a.(I) "Personally identifiable financial information" means
154 any information that:

155 (A) A customer provides to a licensee to obtain a financial
156 product or service, such as information that a customer provides
157 to a licensee on an application to obtain a loan or other
158 financial product or service;

159 (B) A licensee receives about a consumer which is obtained
160 during or as a result of any transaction involving a financial
161 product or service between the licensee and the customer, such
162 as information collected through an information-collecting
163 device from a web server; or

164 (C) A licensee otherwise obtains about a customer in
165 connection with providing a financial product or service to the
166 customer, such as the fact that an individual is or has been one
167 of the licensee's customers or has obtained a financial product
168 or service from the licensee.

169 (II) The term "personally identifiable financial
170 information" does not include:

171 (A) A list of names and addresses of customers of an entity
172 that is not a financial institution; or

173 (B) Information that does not identify a customer, such as
174 blind data or aggregate information that does not contain

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personal identifiers such as account numbers, names, or addresses.

b.(I) "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from:

(A) Federal, state, or local government records, such as government real estate records or security interest filings;

(B) Widely distributed media, such as information from a telephone records repository or directory, a television or radio program, a newspaper, a social media platform, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public; or

(C) Disclosures to the general public which are required to be made by federal, state, or local law.

(II) As used in this sub-subparagraph, the term "reasonable basis to believe is lawfully made available to the general public" relating to any information means that the person has taken steps to determine:

(A) That the information is of the type that is available to the general public, such as information included on the public record in the jurisdiction where the mortgage would be recorded; and

(B) Whether an individual can direct that the information not be made available to the general public and, if so, the customer to whom the information relates has not done so, such as when a telephone number is listed in a telephone directory and the customer has informed the licensee that the telephone

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number is not unlisted.

(i) "Third-party service provider" means a person, other than a licensee, which contracts with a licensee to maintain, process, or store nonpublic personal information, or is otherwise permitted access to nonpublic personal information through its provision of services to a licensee.

(2) INFORMATION SECURITY PROGRAM.—

(a) Each licensee shall develop, implement, and maintain a comprehensive written information security program that contains administrative, technical, and physical safeguards for the protection of the licensee's information system and nonpublic personal information.

(b) Each licensee shall ensure that the information security program meets all of the following criteria:

1. Be commensurate with the following measures:

- a. Size and complexity of the licensee.
- b. Nature and scope of the licensee's activities, including the licensee's use of third-party service providers.
- c. Sensitivity of nonpublic personal information that is used by the licensee or that is in the licensee's possession, custody, or control.

2. Be designed to do all of the following:

- a. Protect the security and confidentiality of nonpublic personal information and the security of the licensee's information system.
- b. Protect against threats or hazards to the security or integrity of nonpublic personal information and the licensee's information system.
- c. Protect against unauthorized access to or the use of

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nonpublic personal information and minimize the likelihood of harm to any customer.

3. Define and periodically reevaluate the retention schedule and the mechanism for the destruction of nonpublic personal information if retention is no longer necessary for the licensee's business operations or is no longer required by applicable law.

4. Regularly test and monitor systems and procedures for the detection of actual and attempted attacks on, or intrusions into, the licensee's information system.

5. Be monitored, evaluated, and adjusted, as necessary, to meet all of the following requirements:

a. Determine whether the licensee's information security program is consistent with relevant changes in technology.

b. Confirm the licensee's information security program accounts for the sensitivity of nonpublic personal information.

c. Identify changes that may be necessary to the licensee's information system.

d. Eliminate any internal or external threats to nonpublic personal information.

e. Amend the licensee's information security program for any of the licensee's changing business arrangements, including, but not limited to, mergers and acquisitions, alliances and joint ventures, and outsourcing arrangements.

(c)1. As part of a licensee's information security program, the licensee shall establish a written incident response plan designed to promptly respond to, and recover from, a cybersecurity event that compromises:

a. The confidentiality, integrity, or availability of

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262 nonpublic personal information in the licensee's possession;

263 b. The licensee's information system; or

264 c. The continuing functionality of any aspect of the
265 licensee's operations.

266 2. The written incident response plan must address all of
267 the following:

268 a. The licensee's internal process for responding to a
269 cybersecurity event.

270 b. The goals of the licensee's incident response plan.

271 c. The assignment of clear roles, responsibilities, and
272 levels of decisionmaking authority for the licensee's personnel
273 that participate in the incident response plan.

274 d. External communications, internal communications, and
275 information sharing related to a cybersecurity event.

276 e. The identification of remediation requirements for
277 weaknesses identified in information systems and associated
278 controls.

279 f. The documentation and reporting regarding cybersecurity
280 events and related incident response activities.

281 g. The evaluation and revision of the incident response
282 plan, as appropriate, following a cybersecurity event.

283 h. The process by which notice must be given as required
284 under subsection (4) and s. 501.171(3) and (4).

285 (d)1. This section does not apply to a licensee that has
286 fewer than:

287 a. Twenty individuals on its workforce, including employees
288 and independent contractors; or

289 b. Five hundred customers during a calendar year.

290 2. A licensee that no longer qualifies for exemption under

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subparagraph 1. has 180 calendar days to comply with this section after the date of the disqualification.

(e) Each licensee shall maintain a copy of the information security program for a minimum of 5 years and shall make it available to the office upon request or as part of an examination.

(3) CYBERSECURITY EVENT INVESTIGATION.—

(a) If a licensee discovers that a cybersecurity event has occurred or that a cybersecurity event may have occurred, the licensee, or an outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall conduct a prompt investigation of the cybersecurity event.

(b) During the investigation, the licensee, or the outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall, at a minimum, determine as much of the following as possible:

1. Confirm that a cybersecurity event has occurred.
2. Identify the date that the cybersecurity event first occurred.
3. Assess the nature and scope of the cybersecurity event.
4. Identify all nonpublic personal information that may have been compromised by the cybersecurity event.
5. Perform or oversee reasonable measures to restore the security of any compromised information system in order to prevent further unauthorized acquisition, release, or use of nonpublic personal information that is in the licensee's, outside vendor's, or third-party service provider's possession, custody, or control.

(c) If a licensee learns that a cybersecurity event has

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occurred, or may have occurred, in an information system maintained by a third-party service provider of the licensee, the licensee shall complete an investigation in compliance with this section or confirm and document that the third-party service provider has completed an investigation in compliance with this section.

(d) A licensee shall maintain all records and documentation related to the licensee's investigation of a cybersecurity event for a minimum of 5 years after the date of the cybersecurity event and shall produce the records and documentation to the office upon request.

(4) NOTICE TO OFFICE OF SECURITY BREACH.—

(a) Each licensee shall provide notice to the office of any breach of security affecting 500 or more individuals in this state at a time and in the manner prescribed by commission rule.

(b) Each licensee shall, upon the office's request, provide a quarterly update of a cybersecurity event investigation under subsection (3) until conclusion of the investigation.

(5) CONSTRUCTION.—This section may not be construed to relieve a covered entity from complying with s. 501.171. To the extent a licensee is a covered entity, as defined in s. 501.171(1), the licensee remains subject to s. 501.171.

(6) RULES.—The commission may adopt rules to administer this section, including rules that allow a licensee that is in full compliance with the Federal Trade Commission's Standards for Safeguarding Customer Information, 16 C.F.R. part 314, to be deemed in compliance with subsection (2).

Section 2. Paragraph (z) is added to subsection (1) of section 494.00255, Florida Statutes, to read:

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494.00255 Administrative penalties and fines; license violations.—

(1) Each of the following acts constitutes a ground for which the disciplinary actions specified in subsection (2) may be taken against a person licensed or required to be licensed under part II or part III of this chapter:

(z) Failure to comply with the notification requirements in s. 501.171(3) and (4).

Section 3. Present subsections (28) through (36) of section 517.021, Florida Statutes, are redesignated as subsections (29) through (37), respectively, a new subsection (28) is added to that section, and subsection (20) of that section is amended, to read:

517.021 Definitions.—When used in this chapter, unless the context otherwise indicates, the following terms have the following respective meanings:

(20) (a) "Investment adviser" means a person, other than an associated person of an investment adviser or a federal covered adviser, that receives compensation, directly or indirectly, and engages for all or part of the person's time, directly or indirectly, or through publications or writings, in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities.

(b) The term does not include any of the following:

1. A dealer or an associated person of a dealer whose performance of services in paragraph (a) is solely incidental to the conduct of the dealer's or associated person's business as a dealer and who does not receive special compensation for those

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378 services.

379 2. A licensed practicing attorney or certified public
380 accountant whose performance of such services is solely
381 incidental to the practice of the attorney's or accountant's
382 profession.

383 3. A bank authorized to do business in this state.

384 4. A bank holding company as defined in the Bank Holding
385 Company Act of 1956, as amended, authorized to do business in
386 this state.

387 5. A trust company having trust powers, as defined in s.
388 658.12, which it is authorized to exercise in this state, which
389 trust company renders or performs investment advisory services
390 in a fiduciary capacity incidental to the exercise of its trust
391 powers.

392 6. A person that renders investment advice exclusively to
393 insurance or investment companies.

394 7. A person:

395 a. Without a place of business in this state if the person
396 has had that, during the preceding 12 months, ~~has~~ fewer than six
397 clients who are residents of this state.

398 b. With a place of business in this state if the person has
399 had, during the preceding 12 months, fewer than six clients who
400 are residents of this state and no clients who are not residents
401 of this state.

402
403 As used in this subparagraph, the term "client" has the same
404 meaning as provided in Securities and Exchange Commission Rule
405 222-2 ~~275.222-2~~, 17 C.F.R. s. 275.222-2, as amended.

406 8. A federal covered adviser.

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9. The United States, a state, or any political subdivision of a state, or any agency, authority, or instrumentality of any such entity; a business entity that is wholly owned directly or indirectly by such a governmental entity; or any officer, agent, or employee of any such governmental or business entity who is acting within the scope of his or her official duties.

10. A family office as defined in Securities and Exchange Commission Rule 202(a)(11)(G)-1(b) under the Investment Advisers Act of 1940, 17 C.F.R. s. 275.202(a)(11)(G)-1(b), as amended. In determining whether a person meets the definition of a family office under this subparagraph, the terms "affiliated family office," "control," "executive officer," "family client," "family entity," "family member," "former family member," "key employee," and "spousal equivalent" have the same meaning as in Securities and Exchange Commission Rule 202(a)(11)(G)-1(d), 17 C.F.R. s. 275.202(a)(11)(G)-1(d).

(28) "Place of business" of an investment adviser means an office at which the investment adviser regularly provides investment advisory services to, solicits, meets with, or otherwise communicates with clients; and any other location that is held out to the general public as a location at which the investment adviser provides investment advisory services to, solicits, meets with, or otherwise communicates with clients.

Section 4. Paragraph (i) of subsection (9) of section 517.061, Florida Statutes, is amended to read:

517.061 Exempt transactions.—Except as otherwise provided in subsection (11), the exemptions provided herein from the registration requirements of s. 517.07 are self-executing and do not require any filing with the office before being claimed. Any

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person who claims entitlement to an exemption under this section bears the burden of proving such entitlement in any proceeding brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following transactions; however, such transactions are subject to s. 517.301:

(9) The offer or sale of securities to:

(i) A family office as defined in Securities and Exchange Commission Rule 202(a)(11)(G)-1(b) ~~202(a)(11)(G)-1~~ under the Investment Advisers Act of 1940, 17 C.F.R. s. 275.202(a)(11)(G)-1(b) ~~s. 275.202(a)(11)(G)-1~~, as amended, provided that:

1. The family office has assets under management in excess of \$5 million;

2. The family office is not formed for the specific purpose of acquiring the securities offered; and

3. The prospective investment of the family office is directed by a person who has knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of the prospective investment.

In determining whether a person meets the definition of a family office under this paragraph, the terms "affiliated family office," "control," "executive officer," "family client," "family entity," "family member," "former family member," "key employee," and "spousal equivalent" have the same meaning as in Securities and Exchange Commission Rule 202(a)(11)(G)-1(d), 17 C.F.R. s. 275.202(a)(11)(G)-1(d).

Section 5. Section 520.135, Florida Statutes, is created to read:

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465 520.135 Surrendered or repossessed vehicles.—The rights and
466 obligations of parties with respect to a surrendered or
467 repossessed motor vehicle are exclusively governed by part VI of
468 chapter 679.

469 Section 6. Subsections (1) and (2) of section 560.114,
470 Florida Statutes, are amended to read:

471 560.114 Disciplinary actions; penalties.—

472 (1) The following actions by a money services business, an
473 authorized vendor, or a ~~affiliated~~ party that was affiliated at
474 the time of commission of the actions constitute grounds for the
475 issuance of a cease and desist order; the issuance of a removal
476 order; the denial, suspension, or revocation of a license; or
477 taking any other action within the authority of the office
478 pursuant to this chapter:

479 (a) Failure to comply with any provision of this chapter or
480 related rule or order, or any written agreement entered into
481 with the office.

482 (b) Fraud, misrepresentation, deceit, or gross negligence
483 in any transaction by a money services business, regardless of
484 reliance thereon by, or damage to, a customer.

485 (c) Fraudulent misrepresentation, circumvention, or
486 concealment of any matter that must be stated or furnished to a
487 customer pursuant to this chapter, regardless of reliance
488 thereon by, or damage to, such customer.

489 (d) False, deceptive, or misleading advertising.

490 (e) Failure to maintain, preserve, keep available for
491 examination, and produce all books, accounts, files, or other
492 documents required by this chapter or related rules or orders,
493 by 31 C.F.R. ss. 1010.306, 1010.311, 1010.312, 1010.340,

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1010.410, 1010.415, 1022.210, 1022.320, 1022.380, and 1022.410,
or by an agreement entered into with the office.

(f) Refusing to allow the examination or inspection of
books, accounts, files, or other documents by the office
pursuant to this chapter, or to comply with a subpoena issued by
the office.

(g) Failure to pay a judgment recovered in any court by a
claimant in an action arising out of a money transmission
transaction within 30 days after the judgment becomes final.

(h) Engaging in an act prohibited under s. 560.111 or s.
560.1115.

(i) Insolvency.

(j) Failure by a money services business to remove an
affiliated party after the office has issued and served upon the
money services business a final order setting forth a finding
that the affiliated party has violated a provision of this
chapter.

(k) Making a material misstatement, misrepresentation, or
omission in an application for licensure, any amendment to such
application, or application for the appointment of an authorized
vendor.

(l) Committing any act that results in a license or its
equivalent, to practice any profession or occupation being
denied, suspended, revoked, or otherwise acted against by a
licensing authority in any jurisdiction.

(m) Being the subject of final agency action or its
equivalent, issued by an appropriate regulator, for engaging in
unlicensed activity as a money services business or deferred
presentment provider in any jurisdiction.

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(n) Committing any act resulting in a license or its equivalent to practice any profession or occupation being denied, suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction for a violation of 18 U.S.C. s. 1956, 18 U.S.C. s. 1957, 18 U.S.C. s. 1960, 31 U.S.C. s. 5324, or any other law or rule of another state or of the United States relating to a money services business, deferred presentment provider, or usury that may cause the denial, suspension, or revocation of a money services business or deferred presentment provider license or its equivalent in such jurisdiction.

(o) Having been convicted of, or entered a plea of guilty or nolo contendere to, any felony or crime punishable by imprisonment of 1 year or more under the law of any state or the United States which involves fraud, moral turpitude, or dishonest dealing, regardless of adjudication.

(p) Having been convicted of, or entered a plea of guilty or nolo contendere to, a crime under 18 U.S.C. s. 1956 or 31 U.S.C. s. 5318, s. 5322, or s. 5324, regardless of adjudication.

(q) Having been convicted of, or entered a plea of guilty or nolo contendere to, misappropriation, conversion, or unlawful withholding of moneys belonging to others, regardless of adjudication.

(r) Having been convicted of, or entered a plea of guilty or nolo contendere to, a violation of 31 C.F.R. chapter X, part 1022, regardless of adjudication.

(s)~~(r)~~ Failure to inform the office in writing within 30 days after having pled guilty or nolo contendere to, or being convicted of, any felony or crime punishable by imprisonment of

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1 year or more under the law of any state or the United States,
or any crime involving fraud, moral turpitude, or dishonest
dealing.

(t)~~(s)~~ Aiding, assisting, procuring, advising, or abetting
any person in violating a provision of this chapter or any order
or rule of the office or commission.

(u)~~(t)~~ Failure to pay any fee, charge, or cost imposed or
assessed under this chapter.

(v)~~(u)~~ Failing to pay a fine assessed by the office within
30 days after the due date as stated in a final order.

(w)~~(v)~~ Failure to pay any judgment entered by any court
within 30 days after the judgment becomes final.

(x)~~(w)~~ Engaging or advertising engagement in the business
of a money services business or deferred presentment provider
without a license, unless exempted from licensure.

(y)~~(x)~~ Payment to the office for a license or other fee,
charge, cost, or fine with a check or electronic transmission of
funds that is dishonored by the applicant's or licensee's
financial institution.

(z)~~(y)~~ Violations of 31 C.F.R. ss. 1010.306, 1010.311,
1010.312, 1010.340, 1010.410, 1010.415, 1022.210, 1022.320,
1022.380, and 1022.410, and United States Treasury Interpretive
Release 2004-1.

(aa)~~(z)~~ Any practice or conduct that creates the likelihood
of a material loss, insolvency, or dissipation of assets of a
money services business or otherwise materially prejudices the
interests of its customers.

(bb)~~(aa)~~ Failure of a check casher to maintain a federally
insured depository account as required by s. 560.309.

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581 ~~(cc)(bb)~~ Failure of a check casher to deposit into its own
582 federally insured depository account any payment instrument
583 cashed as required by s. 560.309.

584 ~~(dd)(cc)~~ Violating any provision of the Military Lending
585 Act, 10 U.S.C. s. 987, or the regulations adopted under that act
586 in 32 C.F.R. part 232, in connection with a deferred presentment
587 transaction conducted under part IV of this chapter.

588 ~~(ee)~~ Failure to comply with the notification requirements
589 in s. 501.171(3) and (4).

590 (2) ~~Pursuant to s. 120.60(6),~~ The office shall issue an
591 emergency order suspending ~~may summarily suspend~~ the license of
592 a money services business if the office finds that a licensee
593 poses an immediate, serious danger to the public health, safety,
594 and welfare. ~~A proceeding in which the office seeks the issuance~~
595 ~~of a final order for the summary suspension of a licensee shall~~
596 ~~be conducted by the commissioner of the office, or his or her~~
597 ~~designee, who shall issue such order.~~ The following acts are
598 deemed by the Legislature to constitute an immediate and serious
599 danger to the public health, safety, and welfare, and the office
600 shall ~~may~~ immediately suspend the license of a money services
601 business without making any further findings of immediate
602 danger, necessity, and procedural fairness if:

603 (a) The money services business fails to provide to the
604 office, upon written request, any of the records required by s.
605 560.123, s. 560.1235, s. 560.211, or s. 560.310 or any rule
606 adopted under those sections. The suspension may be rescinded if
607 the licensee submits the requested records to the office.

608 (b) The money services business fails to maintain a
609 federally insured depository account as required by s.

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610 560.208(4) or s. 560.309.

611 (c) A natural person required to be listed on the license
612 application for a money services business pursuant to s.
613 560.141(1)(a)3. is criminally charged with, or arrested for, a
614 crime described in paragraph (1)(o), paragraph (1)(p), or
615 paragraph(1)(q).

616 Section 7. Section 560.1311, Florida Statutes, is created
617 to read:

618 560.1311 Information security programs; cybersecurity event
619 investigations.—

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

621 (a) "Customer" means a person who seeks to obtain or who
622 obtains or has obtained a financial product or service from a
623 licensee.

624 (b) "Customer information" means any record containing
625 nonpublic personal information about a customer of a financial
626 transaction, whether on paper, electronic, or in other forms,
627 which is handled or maintained by or on behalf of the licensee
628 or its affiliates.

629 (c) "Cybersecurity event" means an event resulting in
630 unauthorized access to, or disruption or misuse of, an
631 information system, information stored on such information
632 system, or customer information held in physical form.

633 (d) "Financial product or service" means any product or
634 service offered by a licensee under this chapter.

635 (e) "Information security program" means the
636 administrative, technical, or physical safeguards used to
637 access, collect, distribute, process, protect, store, use,
638 transmit, dispose of, or otherwise handle customer information.

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639 (f) "Information system" means a discrete set of electronic
640 information resources organized for the collection, processing,
641 maintenance, use, sharing, dissemination, or disposition of
642 electronic information, as well as any specialized system such
643 as an industrial process control system, telephone switching and
644 private branch exchange system, or environmental control system,
645 which contain customer information or which are connected to a
646 system that contains customer information.

647 (g)1. "Nonpublic personal information" means:

648 a. Personally identifiable financial information; and

649 b. Any list, description, or other grouping of customers
650 which is derived using any personally identifiable financial
651 information that is not publicly available, such as account
652 numbers, including any list of individuals' names and street
653 addresses which is derived, in whole or in part, using
654 personally identifiable financial information that is not
655 publicly available.

656 2. The term does not include:

657 a. Publicly available information, except as included on a
658 list, description, or other grouping of customers described in
659 sub-subparagraph 1.b.;

660 b. Any list, description, or other grouping of consumers,
661 or any publicly available information pertaining to such list,
662 description, or other grouping of consumers, which is derived
663 without using any personally identifiable financial information
664 that is not publicly available; or

665 c. Any list of individuals' names and addresses which
666 contains only publicly available information, is not derived, in
667 whole or in part, using personally identifiable financial

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information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a customer of a licensee.

3. As used in this paragraph, the term:

a.(I) "Personally identifiable financial information" means any information that:

(A) A customer provides to a licensee to obtain a financial product or service, such as information that a customer provides to a licensee on an application to obtain a loan or other financial product or service;

(B) A licensee receives about a consumer which is obtained during or as a result of any transaction involving a financial product or service between the licensee and the customer, such as information collected through an information-collecting device from a web server; or

(C) A licensee otherwise obtains about a customer in connection with providing a financial product or service to the customer, such as the fact that an individual is or has been one of the licensee's customers or has obtained a financial product or service from the licensee.

(II) The term "personally identifiable financial information" does not include:

(A) A list of names and addresses of customers of an entity that is not a financial institution; or

(B) Information that does not identify a customer, such as blind data or aggregate information that does not contain personal identifiers such as account numbers, names, or addresses.

b.(I) "Publicly available information" means any

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information that a licensee has a reasonable basis to believe is lawfully made available to the general public from:

(A) Federal, state, or local government records, such as government real estate records or security interest filings;

(B) Widely distributed media, such as information from a telephone records repository or directory, a television or radio program, a newspaper, a social media platform, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public; or

(C) Disclosures to the general public which are required to be made by federal, state, or local law.

(II) As used in this sub-subparagraph, the term "reasonable basis to believe is lawfully made available to the general public" relating to any information means that the person has taken steps to determine:

(A) That the information is of the type that is available to the general public, such as information included on the public record in the jurisdiction where the mortgage would be recorded; and

(B) Whether an individual can direct that the information not be made available to the general public and, if so, the customer to whom the information relates has not done so, such as when a telephone number is listed in a telephone directory and the customer has informed the licensee that the telephone number is not unlisted.

(h) "Third-party service provider" means a person, other than a licensee, which contracts with a licensee to maintain,

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process, or store nonpublic personal information, or is otherwise permitted access to nonpublic personal information through its provision of services to a licensee.

(2) INFORMATION SECURITY PROGRAM.—

(a) Each licensee shall develop, implement, and maintain a comprehensive written information security program that contains administrative, technical, and physical safeguards for the protection of the licensee's information system and nonpublic personal information.

(b) Each licensee shall ensure that the information security program meets all of the following criteria:

1. Be commensurate with the following measures:

a. Size and complexity of the licensee.

b. Nature and scope of the licensee's activities, including the licensee's use of third-party service providers.

c. Sensitivity of nonpublic personal information that is used by the licensee or that is in the licensee's possession, custody, or control.

2. Be designed to do all of the following:

a. Protect the security and confidentiality of nonpublic personal information and the security of the licensee's information system.

b. Protect against threats or hazards to the security or integrity of nonpublic personal information and the licensee's information system.

c. Protect against unauthorized access to or the use of nonpublic personal information and minimize the likelihood of harm to any customer.

3. Define and periodically reevaluate the retention

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schedule and the mechanism for the destruction of nonpublic personal information if retention is no longer necessary for the licensee's business operations or is no longer required by applicable law.

4. Regularly test and monitor systems and procedures for the detection of actual and attempted attacks on, or intrusions into, the licensee's information system.

5. Be monitored, evaluated, and adjusted, as necessary, to meet all of the following requirements:

a. Determine whether the licensee's information security program is consistent with relevant changes in technology.

b. Confirm the licensee's information security program accounts for the sensitivity of nonpublic personal information.

c. Identify changes that may be necessary to the licensee's information system.

d. Eliminate any internal or external threats to nonpublic personal information.

e. Amend the licensee's information security program for any of the licensee's changing business arrangements, including, but not limited to, mergers and acquisitions, alliances and joint ventures, and outsourcing arrangements.

(c)1. As part of a licensee's information security program, the licensee shall establish a written incident response plan designed to promptly respond to, and recover from, a cybersecurity event that compromises:

a. The confidentiality, integrity, or availability of nonpublic personal information in the licensee's possession;

b. The licensee's information system; or

c. The continuing functionality of any aspect of the

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licensee's operations.

2. The written incident response plan must address all of the following:

a. The licensee's internal process for responding to a cybersecurity event.

b. The goals of the licensee's incident response plan.

c. The assignment of clear roles, responsibilities, and levels of decisionmaking authority for the licensee's personnel that participate in the incident response plan.

d. External communications, internal communications, and information sharing related to a cybersecurity event.

e. The identification of remediation requirements for weaknesses identified in information systems and associated controls.

f. The documentation and reporting regarding cybersecurity events and related incident response activities.

g. The evaluation and revision of the incident response plan, as appropriate, following a cybersecurity event.

h. The process by which notice must be given as required under subsection (4) and s. 501.171(3) and (4).

(d)1. This section does not apply to a licensee that has fewer than:

a. Twenty individuals on its workforce, including employees and independent contractors; or

b. Five hundred customers during a calendar year.

2. A licensee that no longer qualifies for exemption under subparagraph 1. has 180 calendar days to comply with this section after the date of the disqualification.

(e) Each licensee shall maintain a copy of the information

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813 security program for a minimum of 5 years and shall make it
814 available to the office upon request or as part of an
815 examination.

816 (3) CYBERSECURITY EVENT INVESTIGATION.—

817 (a) If a licensee discovers that a cybersecurity event has
818 occurred or that a cybersecurity event may have occurred, the
819 licensee, or an outside vendor or third-party service provider
820 that the licensee has designated to act on its behalf, shall
821 conduct a prompt investigation of the cybersecurity event.

822 (b) During the investigation, the licensee, or the outside
823 vendor or third-party service provider that the licensee has
824 designated to act on its behalf, shall, at a minimum, determine
825 as much of the following as possible:

- 826 1. Confirm that a cybersecurity event has occurred.
- 827 2. Identify the date that the cybersecurity event first
828 occurred.
- 829 3. Assess the nature and scope of the cybersecurity event.
- 830 4. Identify all nonpublic personal information that may
831 have been compromised by the cybersecurity event.
- 832 5. Perform or oversee reasonable measures to restore the
833 security of any compromised information system in order to
834 prevent further unauthorized acquisition, release, or use of
835 nonpublic personal information that is in the licensee's,
836 outside vendor's, or third-party service provider's possession,
837 custody, or control.

838 (c) If a licensee learns that a cybersecurity event has
839 occurred, or may have occurred, in an information system
840 maintained by a third-party service provider of the licensee,
841 the licensee shall complete an investigation in compliance with

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842 this section or confirm and document that the third-party
843 service provider has completed an investigation in compliance
844 with this section.

845 (d) A licensee shall maintain all records and documentation
846 related to the licensee's investigation of a cybersecurity event
847 for a minimum of 5 years after the date of the cybersecurity
848 event and shall produce the records and documentation to the
849 office upon request.

850 (4) NOTICE TO OFFICE OF SECURITY BREACH.—

851 (a) Each licensee shall provide notice to the office of any
852 breach of security affecting 500 or more individuals in this
853 state at a time and in the manner prescribed by commission rule.

854 (b) Each licensee shall, upon the office's request, provide
855 a quarterly update of a cybersecurity event investigation under
856 subsection (3) until conclusion of the investigation.

857 (5) CONSTRUCTION.—This section may not be construed to
858 relieve a covered entity from complying with s. 501.171. To the
859 extent a licensee is a covered entity, as defined in s.
860 501.171(1), the licensee remains subject to s. 501.171.

861 (6) RULES.—The commission may adopt rules to administer
862 this section, including rules that allow a licensee that is in
863 full compliance with the Federal Trade Commission's Standards
864 for Safeguarding Customer Information, 16 C.F.R. part 314, to be
865 deemed in compliance with subsection (2).

866 Section 8. Section 655.0171, Florida Statutes, is created
867 to read:

868 655.0171 Requirements for customer data security and for
869 notices of security breaches.—

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

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(a) "Breach of security" or "breach" means unauthorized access of data in electronic form containing personal information. Good faith access of personal information by an employee or agent of a financial institution does not constitute a breach of security, provided that the information is not used for a purpose unrelated to the business or subject to further unauthorized use. As used in this paragraph, the term "data in electronic form" means any data stored electronically or digitally on any computer system or other database and includes recordable tapes and other mass storage devices.

(b) "Department" means the Department of Legal Affairs.

(c)1. "Personal information" means:

a. An individual's first name, or first initial, and last name, in combination with any of the following data elements for that individual:

(I) A social security number;

(II) A driver license or identification card number, passport number, military identification number, or other similar number issued on a government document used to verify identity;

(III) A financial account number or credit or debit card number, in combination with any required security code, access code, or password that is necessary to permit access to the individual's financial account;

(IV) The individual's biometric data as defined in s. 501.702; or

(V) Any information regarding the individual's geolocation;
or

b. A username or e-mail address, in combination with a

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password or security question and answer that would permit access to an online account.

2. The term does not include information about an individual which has been made publicly available by a federal, state, or local governmental entity. The term also does not include information that is encrypted, secured, or modified by any other method or technology that removes elements that personally identify an individual or that otherwise renders the information unusable.

(2) REQUIREMENTS FOR DATA SECURITY.—Each financial institution shall take reasonable measures to protect and secure data that are in electronic form and that contain personal information.

(3) NOTICE TO OFFICE AND DEPARTMENT OF SECURITY BREACH.—

(a)1. Each financial institution shall provide notice to the office of any breach of security affecting 500 or more individuals in this state. Such notice must be provided to the office as expeditiously as practicable, but no later than 30 days after the determination of the breach or the determination of a reason to believe that a breach has occurred.

2. The written notice to the office must include the items required under s. 501.171(3)(b).

3. A financial institution must provide the following information to the office upon its request:

a. A police report, incident report, or computer forensics report.

b. A copy of the policies in place regarding breaches.

c. Steps that have been taken to rectify the breach.

4. A financial institution may provide the office with

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supplemental information regarding a breach at any time.

(b) Each financial institution shall provide notice to the department of any breach of security affecting 500 or more individuals in this state. Such notice must be provided to the department in accordance with s. 501.171.

(4) NOTICE TO INDIVIDUALS OF SECURITY BREACH.—Each financial institution shall give notice to each individual in this state whose personal information was, or the financial institution reasonably believes to have been, accessed as a result of the breach in accordance with s. 501.171(4). The notice must be provided no later than 30 days after the determination of the breach or the determination of a reason to believe that a breach has occurred. A financial institution may receive 15 additional days to provide notice to individuals of a security breach as required in this subsection if good cause for delay is provided in writing to the office within 30 days after determination of the breach or determination of the reason to believe that a breach has occurred.

(5) NOTICE TO CREDIT REPORTING AGENCIES.—If a financial institution discovers circumstances requiring notice pursuant to this section of more than 1,000 individuals at a single time, the financial institution shall also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p), of the timing, distribution, and content of the notices.

Section 9. Paragraph (d) of subsection (1) of section 655.045, Florida Statutes, is amended to read:

655.045 Examinations, reports, and internal audits;

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958 penalty.—

959 (1) The office shall conduct an examination of the
960 condition of each state financial institution at least every 18
961 months. The office may conduct more frequent examinations based
962 upon the risk profile of the financial institution, prior
963 examination results, or significant changes in the institution
964 or its operations. The office may use continuous, phase, or
965 other flexible scheduling examination methods for very large or
966 complex state financial institutions and financial institutions
967 owned or controlled by a multi-financial institution holding
968 company. The office shall consider examination guidelines from
969 federal regulatory agencies in order to facilitate, coordinate,
970 and standardize examination processes.

971 (d) As used in this section, the term "costs" means the
972 salary and travel expenses directly attributable to the field
973 staff examining the state financial institution, subsidiary, or
974 service corporation, and the travel expenses of any supervisory
975 staff required as a result of examination findings. The mailing
976 of any costs incurred under this subsection must be postmarked
977 within 45 ~~30~~ days after the date of receipt of a notice stating
978 that such costs are due. The office may levy a late payment of
979 up to \$100 per day or part thereof that a payment is overdue,
980 unless excused for good cause. However, for intentional late
981 payment of costs, the office may levy an administrative fine of
982 up to \$1,000 per day for each day the payment is overdue.

983 Section 10. Subsection (2) of section 657.005, Florida
984 Statutes, is amended to read:

985 657.005 Application for authority to organize a credit
986 union; investigation.—

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987 (2) Any five or more individuals, a majority of whom are
988 residents of this state and all of whom ~~who~~ represent a limited
989 field of membership, may apply to the office for permission to
990 organize a credit union. The fact that individuals within the
991 proposed limited field of membership have credit union services
992 available to them through another limited field of membership
993 shall not preclude the granting of a certificate of
994 authorization to engage in the business of a credit union.

995 Section 11. Subsection (1) of section 657.024, Florida
996 Statutes, is amended to read:

997 657.024 Membership meetings.—

998 (1) The members shall receive timely notice of the annual
999 meeting and any special meetings of the members, which shall be
1000 held at the time, place, and in the manner provided in the
1001 bylaws. The annual meeting and any special meetings of the
1002 members may be held virtually without an in-person quorum, and
1003 virtual attendance may satisfy quorum requirements, subject to
1004 the bylaws.

1005 Section 12. Paragraph (b) of subsection (3) and present
1006 subsection (5) of section 657.042, Florida Statutes, are amended
1007 to read:

1008 657.042 Investment powers and limitations.—A credit union
1009 may invest its funds subject to the following definitions,
1010 restrictions, and limitations:

1011 (3) INVESTMENT SUBJECT TO LIMITATION OF TWO PERCENT OF
1012 CAPITAL OF THE CREDIT UNION.—

1013 (b) Commercial paper and bonds of any corporation within
1014 the United States which have a fixed maturity, as provided in
1015 subsection (6) ~~(7)~~, except that the total investment in all such

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paper and bonds may not exceed 10 percent of the capital of the credit union.

~~(5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT UNION.~~

~~(a) Up to 5 percent of the capital of the credit union may be invested in real estate and improvements thereon, furniture, fixtures, and equipment utilized or to be utilized by the credit union for the transaction of business.~~

~~(b) The limitations provided by this subsection may be exceeded with the prior written approval of the office. The office shall grant such approval if it is satisfied that:~~

~~1. The proposed investment is necessary.~~

~~2. The amount thereof is commensurate with the size and needs of the credit union.~~

~~3. The investment will be beneficial to the members.~~

~~4. A reasonable plan is developed to reduce the investment to statutory limits.~~

Section 13. Paragraphs (b) and (c) of subsection (4) of section 658.21, Florida Statutes, are amended to read:

658.21 Approval of application; findings required.—The office shall approve the application if it finds that:

(4)

(b) At least two of the proposed directors who are not also proposed officers must have had within the 10 years before the date of the application at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution as specified in the application ~~within the 5 years before the date of the application. However, if the applicant demonstrates that at least one of the proposed directors has~~

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~~very substantial experience as an executive officer, director, or regulator of a financial institution more than 5 years before the date of the application, the office may modify the requirement and allow the applicant to have only one director who has direct financial institution experience within the last 5 years.~~

(c) The proposed president or chief executive officer must have had at least 1 year of direct experience as an executive officer, director, or regulator of a financial institution within the last 10 ~~5~~ years. In making a decision, the office must also consider ~~may waive this requirement after considering:~~

1. The adequacy of the overall experience and expertise of the proposed president or chief executive officer;

2. The likelihood of successful operation of the proposed state bank or trust company pursuant to subsection (1);

3. The adequacy of the proposed capitalization under subsection (2);

4. The proposed capital structure under subsection (3);

5. The experience of the other proposed officers and directors; and

6. Any other relevant data or information.

Section 14. Subsection (2) of section 658.33, Florida Statutes, is amended to read:

658.33 Directors, number, qualifications; officers.—

(2) Not less than a majority of the directors must, during their whole term of service, be citizens of the United States, and at least a majority of the directors must have resided in this state for at least 1 year preceding their election and must be residents therein during their continuance in office. In the

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case of a bank or trust company with total assets of less than \$150 million, at least one, and in the case of a bank or trust company with total assets of \$150 million or more, two of the directors who are not also officers of the bank or trust company must have had at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 10 ~~5~~ years.

Section 15. Subsection (4) of section 662.141, Florida Statutes, is amended to read:

662.141 Examination, investigations, and fees.—The office may conduct an examination or investigation of a licensed family trust company at any time it deems necessary to determine whether the licensed family trust company or licensed family trust company-affiliated party thereof has violated or is about to violate any provision of this chapter, any applicable provision of the financial institutions codes, or any rule adopted by the commission pursuant to this chapter or the codes. The office may conduct an examination or investigation of a family trust company or foreign licensed family trust company at any time it deems necessary to determine whether the family trust company or foreign licensed family trust company has engaged in any act prohibited under s. 662.131 or s. 662.134 and, if a family trust company or a foreign licensed family trust company has engaged in such act, to determine whether any applicable provision of the financial institutions codes has been violated.

(4) For each examination of the books and records of a family trust company, licensed family trust company, or foreign licensed family trust company as authorized under this chapter,

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the trust company shall pay a fee for the costs of the examination by the office. As used in this section, the term "costs" means the salary and travel expenses of field staff which are directly attributable to the examination of the trust company and the travel expenses of any supervisory and support staff required as a result of examination findings. The mailing of payment for costs incurred must be postmarked within 45 ~~30~~ days after the receipt of a notice stating that the costs are due. The office may levy a late payment of up to \$100 per day or part thereof that a payment is overdue unless waived for good cause. However, if the late payment of costs is intentional, the office may levy an administrative fine of up to \$1,000 per day for each day the payment is overdue.

Section 16. Subsection (21) of section 517.12, Florida Statutes, is amended to read:

517.12 Registration of dealers, associated persons, intermediaries, and investment advisers.—

(21) The registration requirements of this section do not apply to any general lines insurance agent or life insurance agent licensed under chapter 626, with regard to the sale of a security as defined in s. 517.021(34)(g) ~~s. 517.021(33)(g)~~, if the individual is directly authorized by the issuer to offer or sell the security on behalf of the issuer and the issuer is a federally chartered savings bank subject to regulation by the Federal Deposit Insurance Corporation. Actions under this subsection constitute activity under the insurance agent's license for purposes of ss. 626.611 and 626.621.

Section 17. This act shall take effect July 1, 2026.