A bill to be entitled
An act relating to blockchain technology; providing
legislative findings; establishing the Florida
Blockchain Working Group in the Department of
Management Services; providing for membership and
duties of the working group; requiring the working
group to submit a report to the Governor and the
Legislature and make presentations; requiring the
department to provide support staff and other
assistance to the working group; providing for
termination of the working group; providing an
effective date.

WHEREAS, blockchain has the ability to improve processes,
increase efficiency, and promote transparency in government, in
businesses, and for consumers, and it is imperative that
blockchain benefits and applications are studied so that its
potential can be fully realized, and

WHEREAS, investments in blockchain companies and projects
have skyrocketed from millions of dollars in 2015 to billions of
dollars in 2018, with venture capital funds and other private
investors investing $1.3 billion between January and May of 2018
in blockchain and blockchain-adjacent early stage companies, and

WHEREAS, increasing legislative activity has occurred at
the state and federal level examining and supporting the
benefits of blockchain technology, and a working group is an important first step in coordinating information and technology among industry and legislators to develop real proposals that can be acted upon, and

  WHEREAS, a cornerstone of any blockchain initiative is the exploration and understanding of blockchain and distributed ledger technology, as these technologies are often complex and must be properly understood and tested before implementation, and a working group can determine applications of blockchain that could cut costs for taxpayers and provide a gateway for entrepreneurs to best understand the laws of their state and surrounding blockchain and virtual currencies, and

  WHEREAS, establishing a working group is the first step in unlocking the transformative possibilities of blockchain and its tremendous positive impact for economic advancement, NOW,

THEREFORE,

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

Section 1.  (1) The Legislature finds that:

(a) Blockchain technology and distributed ledger technology allow the secure recording of transactions through cryptographic algorithms and distributed record sharing, and such technology has reached a point where the opportunities for efficiency, cost savings, and cybersecurity deserve study.
(b) Blockchain technology is a promising way to facilitate more efficient government service delivery models and economies of scale, including facilitating safe paperless transactions and recordkeeping that are nearly impervious to cyberattacks and data destruction.

(c) Blockchain technology can reduce the prevalence of disparate government computer systems, databases, and custom-built software interfaces; reduce costs associated with maintenance and implementation; streamline information sharing; and allow more areas of the state to electronically participate in government services.

(d) Nations, other states, and municipalities across the world are studying and implementing government reforms that bolster trust and reduce bureaucracy through verifiable open source blockchain technology in a variety of areas, including, but not limited to, medical and health records, land records, banking, tax and fee payments, smart contracts, professional accrediting, and property auctions.

(e) It is in the public interest to establish a Florida Blockchain Working Group comprised of government and industry representatives to study the ways in which state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, security, and service delivery and to develop and submit recommendations to the Governor and the Legislature concerning the potential for
implementation of blockchain-based systems that promote
government efficiencies, better services for citizens, economic
development, and safer cyber-secure interaction between
government and the public.

(2) There is established in the Department of Management
Services the Florida Blockchain Working Group to explore and
develop a master plan for fostering the expansion of the
blockchain industry in the state, to recommend policies and
state investments to help make this state a leader in blockchain
technology, and to issue a report to the Legislature. The
working group shall study if and how state, county, and
municipal governments can benefit from a transition to a
blockchain-based system for recordkeeping, data security,
financial transactions, and service delivery and to identify
ways to improve government interaction with businesses and the
public. The working group shall comply with the requirements of
s. 20.052, Florida Statutes, except as otherwise provided in
this section.

(a) The master plan shall:
   1. Identify the economic growth and development
      opportunities presented by blockchain technology.
   2. Assess the existing blockchain industry in the state.
   3. Identify innovative and successful blockchain
      applications currently used by industry and other governments to
determine viability for state applications.
4. Review workforce needs and academic programs required to build blockchain technology expertise across all relevant industries.

5. Make recommendations to the Governor and the Legislature that will promote innovation and economic growth by reducing barriers to and expedite the expansion of the state's blockchain industry.

(b) The working group shall consist of 19 members. Members must demonstrate an interest in, familiarity with, or knowledge of blockchain technology. Membership shall be as follows:

1. Two members appointed by the Governor.
2. Two members appointed by the President of the Senate.
3. Two members appointed by the Speaker of the House of Representatives.
4. One member appointed by the Minority Leader of the Senate.
5. One member appointed by the Minority Leader of the House of Representatives.
6. One member appointed by the Chief Financial Officer.
7. One member appointed by the Attorney General.
8. The Secretary of the Department of Management Services or his or her designee.
9. The executive director of the Agency for State Technology or his or her designee.
10. One member of the Florida Technology Council,
appointed by the Florida Technology Council.

11. One member appointed by the Florida League of Cities.

12. One member appointed by the Florida Association of Counties.


14. One member appointed by the Florida City and County Management Association.

15. One member of the Florida Chamber of Commerce, appointed by the Florida Chamber of Commerce.

16. One member appointed by the Chancellor of the State University System.

(c) At least 10 members of the working group must have knowledge and experience in blockchain technology.

(d) Within 90 days after the effective date of this act, a majority of the members of the working group must be appointed and the working group shall hold its first meeting. The working group shall elect one of its members to serve as chair. Members of the working group shall serve for the duration of the existence of the working group. Any vacancy that occurs shall be filled in the same manner as the original appointment. Working group members shall serve without compensation but may be reimbursed for necessary expenses incurred in the performance of their duties and shall be allowed per diem and travel expenses as provided in s. 112.061, Florida Statutes.
(e) The working group shall study blockchain technology, including, but not limited to, the following:

1. Opportunities and risks associated with using blockchain and distributed ledger technology for state and local government.

2. Different types of blockchains, both public and private, and different consensus algorithms.

3. Projects and cases currently under development in other states and local governments, and how these cases could be applied in this state.

4. Ways the Legislature can modify general law to support secure, paperless recordkeeping, increase cybersecurity, improve interactions with citizens, and encourage blockchain innovation for businesses in the state.

5. Identifying potential economic incentives for companies investing in blockchain technologies in collaboration with the state.

6. Recommending projects for potential blockchain solutions, including, but not limited to, use cases for state agencies that would improve services for citizens or businesses.

7. Identifying the technical skills necessary to develop blockchain technology and ensuring that instruction in such skills is available at secondary and postsecondary educational institutions in this state.

(3) The working group shall submit a report to the
Governor, the President of the Senate, and the Speaker of the House of Representatives and present its findings to the appropriate legislative committees in each house of the Legislature within 180 days after the initial meeting of the working group. The report must include:

1. A general description of the costs and benefits of state and local government agencies using blockchain technology.

2. Recommendations concerning the feasibility of implementing blockchain technology in the state and the best approach to finance the cost of implementation.

3. Recommendations for specific implementations to be developed by relevant state agencies.

4. Any draft legislation the working group deems appropriate to implement such blockchain technologies.

5. Identification of one pilot project that may be implemented in the state.

6. Any other information deemed relevant by the working group.

(4) The working group is entitled to the assistance and services of any state agency, board, bureau, or commission as necessary and available for the purposes of this act.

(5) The Department of Management Services shall provide support staff for the working group and any relevant studies, data, and materials in its possession to assist the working group in the performance of its duties.
(6) The working group shall terminate upon submission of the report and the presentation of findings. Section 2. This act shall take effect upon becoming a law.