

1 A bill to be entitled
2 An act relating to technology innovation; amending s.
3 20.22, F.S.; renaming the Division of State Technology
4 within the Department of Management Services; adding
5 the Florida Digital Service to the department;
6 amending s. 282.0051, F.S.; establishing the Florida
7 Digital Service within the department; providing
8 definitions; transferring specified powers, duties,
9 and functions of the department to the Florida Digital
10 Service and revising such powers, duties, and
11 functions; providing appointments and requirements of
12 the state chief information officer and chief data
13 officer of the Florida Digital Service; requiring the
14 Florida Digital Service to develop a comprehensive
15 enterprise architecture; providing requirements for
16 such enterprise architecture; providing duties and
17 authorities of the Florida Digital Service; providing
18 duties of the department; providing rulemaking
19 authority; amending s. 282.00515, F.S.; deleting
20 provisions relating to specified duties and powers of
21 the Department of Legal Affairs, the Department of
22 Financial Services, and the Department of Agriculture
23 and Consumer Services; establishing the Enterprise
24 Architecture Advisory Council; requiring the council
25 to comply with specified requirements; providing

26 membership and meeting requirements and duties of the
27 council; amending ss. 282.318, 287.0591, 365.171,
28 365.172, 365.173, and 943.0415, F.S.; conforming
29 provisions to changes made by the act; creating s.
30 560.214, F.S.; providing a short title; creating the
31 Financial Technology Sandbox; providing definitions;
32 providing certain waivers of requirements to specified
33 persons under certain circumstances; requiring an
34 application for the program for persons who want to
35 make innovative financial products or services
36 available to consumers; providing application
37 requirements; providing standards for application
38 approval or refusal; requiring the Office of Financial
39 Regulation to perform certain actions upon approval of
40 an application; providing operation of the sandbox;
41 providing limitations on the number of consumers of
42 innovative financial products or services; authorizing
43 the office to enter into agreement with certain
44 regulatory agencies for specified purposes; providing
45 recordkeeping requirements; providing rulemaking
46 authority; authorizing the office to examine specified
47 records; providing extension and conclusion of the
48 sandbox period; requiring written notification to
49 consumers at the end of an extension or conclusion of
50 the sandbox period; providing acts that persons who

51 make innovative financial products or services
 52 available to consumers may and may not engage in at
 53 the end of an extension or conclusion of the sandbox
 54 period; requiring such persons to submit a report;
 55 providing construction; providing that such persons
 56 are not immune from civil damages and are subject to
 57 criminal and consumer protection laws; providing
 58 penalties; providing service of process; requiring the
 59 Financial Services Commission to adopt rules;
 60 authorizing the office to issue certain orders and to
 61 enforce them under ch. 120, F.S., or in court;
 62 authorizing the office to issue and enforce orders for
 63 payment of restitution; providing an effective date.

64
 65 Be It Enacted by the Legislature of the State of Florida:

66
 67 Section 1. Subsection (2) of section 20.22, Florida
 68 Statutes, is amended to read:

69 20.22 Department of Management Services.—There is created
 70 a Department of Management Services.

71 (2) ~~The following divisions and programs within the~~
 72 Department of Management Services shall consist of the following
 73 ~~are established:~~

74 (a) The Facilities Program.

75 (b) The Division of Telecommunications ~~State Technology,~~

76 | ~~the director of which is appointed by the secretary of the~~
77 | ~~department and shall serve as the state chief information~~
78 | ~~officer. The state chief information officer must be a proven,~~
79 | ~~effective administrator who must have at least 10 years of~~
80 | ~~executive level experience in the public or private sector,~~
81 | ~~preferably with experience in the development of information~~
82 | ~~technology strategic planning and the development and~~
83 | ~~implementation of fiscal and substantive information technology~~
84 | ~~policy and standards.~~

85 | (c) The Workforce Program.

86 | (d)1. The Support Program.

87 | 2. The Federal Property Assistance Program.

88 | (e) The Administration Program.

89 | (f) The Division of Administrative Hearings.

90 | (g) The Division of Retirement.

91 | (h) The Division of State Group Insurance.

92 | (i) The Florida Digital Service.

93 | Section 2. Section 282.0051, Florida Statutes, is amended
94 | to read:

95 | 282.0051 Florida Digital Service ~~Department of Management~~
96 | ~~Services~~; powers, duties, and functions.—There is established
97 | the Florida Digital Service within the department to create
98 | innovative solutions that securely modernize state government
99 | and achieve value through digital transformation and
100 | interoperability.

101 (1) As used in this section, the term:

102 (a) "Credential service provider" means a provider
103 competitively procured by the department to supply secure
104 identity management and verification services based on open
105 standards to qualified entities.

106 (b) "Data-call" means an electronic transaction with the
107 credential service provider that verifies the authenticity of a
108 digital identity by querying enterprise data.

109 (c) "Electronic" means technology having electrical,
110 digital, magnetic, wireless, optical, electromagnetic, or
111 similar capabilities.

112 (d) "Electronic credential" means an electronic
113 representation of a physical driver license or identification
114 card that is viewable in an electronic format and is capable of
115 being verified and authenticated.

116 (e) "Electronic credential provider" means a qualified
117 entity contracted with the department to provide electronic
118 credentials to eligible driver license or identification card
119 holders.

120 (f) "Enterprise" means the collection of state agencies as
121 defined in s. 282.0041, except that the term includes the
122 Department of Legal Affairs, the Department of Agriculture and
123 Consumer Services, the Department of Financial Services, and the
124 judicial branch.

125 (g) "Enterprise architecture" means a comprehensive

126 operational framework that contemplates the needs and assets of
127 the enterprise to support interoperability across state
128 government.

129 (h) "Interoperability" means the technical ability to
130 share and use data across and throughout the enterprise.

131 (i) "Qualified entity" means a public or private entity or
132 individual that enters into a binding agreement with the
133 department, meets usage criteria, agrees to terms and
134 conditions, and is subsequently and prescriptively authorized by
135 the department to access data under the terms of that agreement.

136 (2) The Florida Digital Service ~~department~~ shall have the
137 following powers, duties, and functions in full support of the
138 cloud-first policy as specified in s. 282.206:

139 (a) ~~(1)~~ Develop and publish information technology policy
140 for the management of the state's information technology
141 resources.

142 (b) ~~(2)~~ Establish and publish information technology
143 architecture standards to provide for the most efficient use of
144 the state's information technology resources and to ensure
145 compatibility and alignment with the needs of state agencies.
146 The Florida Digital Service ~~department~~ shall assist state
147 agencies in complying with the standards.

148 (c) ~~(3)~~ Establish project management and oversight
149 standards with which state agencies must comply when
150 implementing projects that have an information technology

151 component projects. The Florida Digital Service ~~department~~ shall
152 provide training opportunities to state agencies to assist in
153 the adoption of the project management and oversight standards.
154 To support data-driven decisionmaking, the standards must
155 include, but are not limited to:

156 1.(a) Performance measurements and metrics that
157 objectively reflect the status of a project with an information
158 technology component project based on a defined and documented
159 project scope, cost, and schedule.

160 2.(b) Methodologies for calculating acceptable variances
161 in the projected versus actual scope, schedule, or cost of a
162 project with an information technology component project.

163 3.(e) Reporting requirements, including requirements
164 designed to alert all defined stakeholders that a project with
165 an information technology component project has exceeded
166 acceptable variances defined and documented in a project plan.

167 4.(d) Content, format, and frequency of project updates.

168 (d)(4) Perform project oversight on all state agency
169 ~~information technology~~ projects that have an information
170 technology component with a total project cost ~~costs~~ of \$10
171 million or more and that are funded in the General
172 Appropriations Act or any other law. The Florida Digital Service
173 ~~department~~ shall report at least quarterly to the Executive
174 Office of the Governor, the President of the Senate, and the
175 Speaker of the House of Representatives on any project with an

176 information technology component ~~project~~ that the Florida
177 Digital Service ~~department~~ identifies as high-risk due to the
178 project exceeding acceptable variance ranges defined and
179 documented in a project plan. The report must include a risk
180 assessment, including fiscal risks, associated with proceeding
181 to the next stage of the project, and a recommendation for
182 corrective actions required, including suspension or termination
183 of the project.

184 (e) ~~(5)~~ Identify opportunities for standardization and
185 consolidation of information technology services that support
186 interoperability and the cloud-first policy as specified in s.
187 282.206, business functions and operations, including
188 administrative functions such as purchasing, accounting and
189 reporting, cash management, and personnel, and that are common
190 across state agencies. The Florida Digital Service ~~department~~
191 shall biennially on April 1 provide recommendations for
192 standardization and consolidation to the Executive Office of the
193 Governor, the President of the Senate, and the Speaker of the
194 House of Representatives.

195 (f) ~~(6)~~ Establish best practices for the procurement of
196 information technology products and cloud-computing services in
197 order to reduce costs, increase the quality of data center
198 services, or improve government services.

199 (g) ~~(7)~~ Develop standards for information technology
200 reports and updates, including, but not limited to, operational

201 work plans, project spend plans, and project status reports, for
202 use by state agencies.

203 ~~(h)-(8)~~ Upon request, assist state agencies in the
204 development of information technology-related legislative budget
205 requests.

206 ~~(i)-(9)~~ Conduct annual assessments of state agencies to
207 determine compliance with all information technology standards
208 and guidelines developed and published by the Florida Digital
209 Service ~~department~~ and provide results of the assessments to the
210 Executive Office of the Governor, the President of the Senate,
211 and the Speaker of the House of Representatives.

212 ~~(j)-(10)~~ Provide operational management and oversight of
213 the state data center established pursuant to s. 282.201, which
214 includes:

215 ~~1.(a)~~ Implementing industry standards and best practices
216 for the state data center's facilities, operations, maintenance,
217 planning, and management processes.

218 ~~2.(b)~~ Developing and implementing cost-recovery or other
219 payment mechanisms that recover the full direct and indirect
220 cost of services through charges to applicable customer
221 entities. Such cost-recovery or other payment mechanisms must
222 comply with applicable state and federal regulations concerning
223 distribution and use of funds and must ensure that, for any
224 fiscal year, no service or customer entity subsidizes another
225 service or customer entity.

226 3.~~(e)~~ Developing and implementing appropriate operating
227 guidelines and procedures necessary for the state data center to
228 perform its duties pursuant to s. 282.201. The guidelines and
229 procedures must comply with applicable state and federal laws,
230 regulations, and policies and conform to generally accepted
231 governmental accounting and auditing standards. The guidelines
232 and procedures must include, but need not be limited to:

233 a.1. Implementing a consolidated administrative support
234 structure responsible for providing financial management,
235 procurement, transactions involving real or personal property,
236 human resources, and operational support.

237 b.2. Implementing an annual reconciliation process to
238 ensure that each customer entity is paying for the full direct
239 and indirect cost of each service as determined by the customer
240 entity's use of each service.

241 c.3. Providing rebates that may be credited against future
242 billings to customer entities when revenues exceed costs.

243 d.4. Requiring customer entities to validate that
244 sufficient funds exist in the appropriate data processing
245 appropriation category or will be transferred into the
246 appropriate data processing appropriation category before
247 implementation of a customer entity's request for a change in
248 the type or level of service provided, if such change results in
249 a net increase to the customer entity's cost for that fiscal
250 year.

251 ~~e.5.~~ By November 15 of each year, providing to the Office
252 of Policy and Budget in the Executive Office of the Governor and
253 to the chairs of the legislative appropriations committees the
254 projected costs of providing data center services for the
255 following fiscal year.

256 ~~f.6.~~ Providing a plan for consideration by the Legislative
257 Budget Commission if the cost of a service is increased for a
258 reason other than a customer entity's request made pursuant to
259 sub-subparagraph d. ~~subparagraph 4.~~ Such a plan is required only
260 if the service cost increase results in a net increase to a
261 customer entity for that fiscal year.

262 ~~g.7.~~ Standardizing and consolidating procurement and
263 contracting practices.

264 ~~4.(d)~~ In collaboration with the Department of Law
265 Enforcement, developing and implementing a process for
266 detecting, reporting, and responding to information technology
267 security incidents, breaches, and threats.

268 ~~5.(e)~~ Adopting rules relating to the operation of the
269 state data center, including, but not limited to, budgeting and
270 accounting procedures, cost-recovery or other payment
271 methodologies, and operating procedures.

272 ~~(f)~~ ~~Conducting an annual market analysis to determine~~
273 ~~whether the state's approach to the provision of data center~~
274 ~~services is the most effective and cost-efficient manner by~~
275 ~~which its customer entities can acquire such services, based on~~

276 ~~federal, state, and local government trends; best practices in~~
277 ~~service provision; and the acquisition of new and emerging~~
278 ~~technologies. The results of the market analysis shall assist~~
279 ~~the state data center in making adjustments to its data center~~
280 ~~service offerings.~~

281 (k) ~~(11)~~ Recommend other information technology services
282 that should be designed, delivered, and managed as enterprise
283 information technology services. Recommendations must include
284 the identification of existing information technology resources
285 associated with the services, if existing services must be
286 transferred as a result of being delivered and managed as
287 enterprise information technology services.

288 (l) ~~(12)~~ In consultation with state agencies, propose a
289 methodology and approach for identifying and collecting both
290 current and planned information technology expenditure data at
291 the state agency level.

292 (m) 1. ~~(13) (a)~~ Notwithstanding any other law, provide
293 project oversight on any project with an information technology
294 component ~~project~~ of the Department of Financial Services, the
295 Department of Legal Affairs, and the Department of Agriculture
296 and Consumer Services which has a total project cost of \$25
297 million or more and which impacts one or more other agencies.
298 Such projects with an information technology component ~~projects~~
299 must also comply with the applicable information technology
300 architecture, project management and oversight, and reporting

301 standards established by the Florida Digital Service ~~department~~.

302 2.~~(b)~~ When performing the project oversight function
303 specified in subparagraph 1. ~~paragraph (a)~~, report at least
304 quarterly to the Executive Office of the Governor, the President
305 of the Senate, and the Speaker of the House of Representatives
306 on any project with an information technology component ~~project~~
307 that the Florida Digital Service ~~department~~ identifies as high-
308 risk due to the project exceeding acceptable variance ranges
309 defined and documented in the project plan. The report shall
310 include a risk assessment, including fiscal risks, associated
311 with proceeding to the next stage of the project and a
312 recommendation for corrective actions required, including
313 suspension or termination of the project.

314 (n)~~(14)~~ If a project with an information technology
315 component ~~project~~ implemented by a state agency must be
316 connected to or otherwise accommodated by an information
317 technology system administered by the Department of Financial
318 Services, the Department of Legal Affairs, or the Department of
319 Agriculture and Consumer Services, consult with these
320 departments regarding the risks and other effects of such
321 projects on their information technology systems and work
322 cooperatively with these departments regarding the connections,
323 interfaces, timing, or accommodations required to implement such
324 projects.

325 (o)~~(15)~~ If adherence to standards or policies adopted by

326 or established pursuant to this section causes conflict with
327 federal regulations or requirements imposed on a state agency
328 and results in adverse action against the state agency or
329 federal funding, work with the state agency to provide
330 alternative standards, policies, or requirements that do not
331 conflict with the federal regulation or requirement. The Florida
332 Digital Service ~~department~~ shall annually report such
333 alternative standards to the Governor, the President of the
334 Senate, and the Speaker of the House of Representatives.

335 (p)1. ~~(16) (a)~~ Establish an information technology policy
336 for all information technology-related state contracts,
337 including state term contracts for information technology
338 commodities, consultant services, and staff augmentation
339 services. The information technology policy must include:

340 a.1. Identification of the information technology product
341 and service categories to be included in state term contracts.

342 b.2. Requirements to be included in solicitations for
343 state term contracts.

344 c.3. Evaluation criteria for the award of information
345 technology-related state term contracts.

346 d.4. The term of each information technology-related state
347 term contract.

348 e.5. The maximum number of vendors authorized on each
349 state term contract.

350 2. ~~(b)~~ Evaluate vendor responses for information

351 technology-related state term contract solicitations and
352 invitations to negotiate.

353 3.~~(e)~~ Answer vendor questions on information technology-
354 related state term contract solicitations.

355 4.~~(d)~~ Ensure that the information technology policy
356 established pursuant to subparagraph 1. ~~paragraph (a)~~ is
357 included in all solicitations and contracts that are
358 administratively executed by the department.

359 (g)~~(17)~~ Recommend potential methods for standardizing data
360 across state agencies which will promote interoperability and
361 reduce the collection of duplicative data.

362 (r)~~(18)~~ Recommend open data technical standards and
363 terminologies for use by state agencies.

364 (3) (a) The Secretary of Management Services shall appoint
365 a state chief information officer, who shall administer the
366 Florida Digital Service and is included in the Senior Management
367 Service. The state chief information officer must be a proven,
368 effective administrator who must have at least 10 years of
369 executive-level experience in the public or private sector,
370 preferably with experience in the development of information
371 technology strategic planning and the development and
372 implementation of fiscal and substantive information technology
373 policy and standards.

374 (b) The state chief information officer shall appoint a
375 chief data officer, who shall report to the state chief

376 information officer and is included in the Senior Management
377 Service. The chief data officer must be a proven executive who
378 must have at least 10 years of executive-level experience,
379 preferably with experience in data management, interoperability,
380 and information technology security.

381 (4) The Florida Digital Service shall develop a
382 comprehensive enterprise architecture that:

383 (a) Recognizes the unique needs of those included within
384 the enterprise and results in the publication of standards,
385 terminologies, and procurement guidelines to facilitate digital
386 interoperability.

387 (b) Supports the cloud-first policy as specified in s.
388 282.206.

389 (c) Addresses how information technology infrastructure
390 may be modernized to achieve current and future cloud-first
391 objectives.

392 (5) The Florida Digital Service shall:

393 (a) Create and maintain a comprehensive indexed data
394 catalog that lists what data elements are housed within the
395 enterprise and in which legacy system or application these data
396 elements are located.

397 (b) Develop and publish, in collaboration with the
398 enterprise, a data dictionary for each agency that reflects the
399 nomenclature in the comprehensive indexed data catalog.

400 (c) Review and document use cases across the enterprise

401 architecture.

402 (d) Develop solutions for authorized or mandated use cases
403 in collaboration with the enterprise.

404 (e) Develop, publish, and manage an application
405 programming interface to facilitate integration throughout the
406 enterprise.

407 (f) Facilitate collaborative analysis of enterprise
408 architecture data to improve service delivery.

409 (g) Provide a testing environment in which any newly
410 developed solution can be tested for compliance within the
411 enterprise architecture and for functionality assurance before
412 deployment.

413 (h) Create the functionality necessary for a secure
414 ecosystem of data interoperability that is compliant with the
415 enterprise architecture and allows for a qualified entity to
416 access the stored data under the terms of the agreement with the
417 department.

418 (i)1. Procure a credential service provider through a
419 competitive process pursuant to s. 287.057. The terms of the
420 contract developed from such procurement shall pay for the value
421 on a per-data-call or subscription basis, and there shall be no
422 cost to the department or law enforcement for using the services
423 provided by the credential service provider.

424 a. The department shall enter into agreements with
425 electronic credential providers that have the technological

426 capabilities necessary to integrate with the credential service
427 provider; ensure secure validation and authentication of data;
428 meet usage criteria; agree to terms and conditions, privacy
429 policies, and uniform remittance terms relating to the
430 consumption of an electronic credential; and include clear,
431 enforceable, and significant penalties for violations of the
432 agreements.

433 b. Revenue generated shall be collected by the department
434 and deposited into the working capital trust fund for
435 distribution pursuant to a legislative appropriation and
436 department agreements with the credential service provider, the
437 electronic credential providers, and the qualified entities. The
438 terms of the agreements between the department and the
439 credential service provider, the electronic credential
440 providers, and the qualified entities, shall be based on the
441 per-data-call or subscription charges to validate and
442 authenticate an electronic credential and allow the department
443 to recover any state costs for implementing and administering an
444 electronic credential solution. Provider revenues may not be
445 derived from any other transactions that generate revenue for
446 the department outside of the per-data-call or subscription
447 charges. Nothing herein shall be construed as a restriction on a
448 provider's ability to generate additional revenues from third
449 parties outside of the terms of the agreement.

450 2. Upon the signing of the enterprise architecture terms

451 of service and privacy policies, provide to qualified entities
452 and electronic credential providers appropriate access to the
453 stored data to facilitate authorized integrations to
454 collaboratively and less expensively or at no taxpayer cost,
455 solve enterprise use cases.

456 (j) Architect and deploy applications or solutions to
457 existing enterprise obligations in a controlled and phased
458 approach, including, but not limited to:

459 1. Digital licenses, including full identification
460 management.

461 2. Interoperability that enables supervisors of elections
462 to authenticate voter eligibility in real time at the point of
463 service.

464 3. The criminal justice database.

465 4. Motor vehicle insurance cancellation integration
466 between insurers and the Department of Highway Safety and Motor
467 Vehicles.

468 5. Interoperability solutions between agencies, including,
469 but not limited to, the Department of Health, the Agency for
470 Health Care Administration, the Agency for Persons with
471 Disabilities, the Department of Education, the Department of
472 Elderly Affairs, and the Department of Children and Families.

473 (6) The Florida Digital Service may develop a process to:

474 (a) Receive written notice from the state agencies within
475 the enterprise of any planned or existing procurement of an

476 information technology project which is subject to governance by
477 the enterprise architecture.

478 (b) Intervene in any planned procurement so that it
479 complies with the enterprise architecture.

480 (7)(19) The Florida Digital Service may adopt rules to
481 administer this section.

482 Section 3. Section 282.00515, Florida Statutes, is amended
483 to read:

484 282.00515 Enterprise Architecture Advisory Council Duties
485 ~~of Cabinet Agencies. The Department of Legal Affairs, the~~
486 ~~Department of Financial Services, and the Department of~~
487 ~~Agriculture and Consumer Services shall adopt the standards~~
488 ~~established in s. 282.0051(2), (3), and (7) or adopt alternative~~
489 ~~standards based on best practices and industry standards, and~~
490 ~~may contract with the department to provide or perform any of~~
491 ~~the services and functions described in s. 282.0051 for the~~
492 ~~Department of Legal Affairs, the Department of Financial~~
493 ~~Services, or the Department of Agriculture and Consumer~~
494 ~~Services.~~

495 (1) (a) The Enterprise Architecture Advisory Council, an
496 advisory council as defined in s. 20.03(7), is established
497 within the Department of Management Services. The council shall
498 comply with the requirements of s. 20.052, except as otherwise
499 provided in this section.

500 (b) The council shall consist of:

- 501 1. The Governor or his or her designee.
- 502 2. Three additional designees of the Governor.
- 503 3. The director of the Office of Policy and Budget in the
 504 Executive Office of the Governor or his or her designee.
- 505 4. The Secretary of Management Services or his or her
 506 designee.
- 507 5. The state chief information officer or his or her
 508 designee.
- 509 6. The Chief Justice or his or her designee.
- 510 7. The President of the Senate or his or her designee.
- 511 8. The Speaker of the House of Representatives or his or
 512 her designee.
- 513 9. The chief information officer of the Department of
 514 Financial Services or his or her designee.
- 515 10. The chief information officer of the Department of
 516 Legal Affairs or his or her designee.
- 517 11. The chief information officer of the Department of
 518 Agriculture and Consumer Services or his or her designee.
- 519 (2) (a) The members appointed herein shall be appointed to
 520 terms of 4 years. However, for the purpose of providing
 521 staggered terms:
- 522 1. The appointments made by the Governor and the director
 523 of the Office of Policy and Budget in the Executive Office of
 524 the Governor are for initial 2-year terms.
- 525 2. The Secretary of Management Services and the state

526 chief information officer are appointed to initial 4-year terms.

527 3. The appointment of the Chief Justice is for an initial
528 3-year term.

529 4. The appointments of the President of the Senate and the
530 Speaker of the House of Representatives are for initial 2-year
531 terms.

532 5. The appointments of the chief information officers of
533 the Department of Financial Services, the Department of Legal
534 Affairs, and the Department of Agriculture and Consumer Services
535 are for initial 2-year terms.

536 (b) A vacancy on the council shall be filled in the same
537 manner as the original appointment for the unexpired term.

538 (c) The council shall meet semiannually, beginning October
539 1, 2020, to discuss implementation, management, and coordination
540 of the enterprise architecture; identify potential issues and
541 threats with specific use cases; and develop proactive
542 solutions.

543 Section 4. Paragraph (a) of subsection (3) of section
544 282.318, Florida Statutes, is amended to read:

545 282.318 Security of data and information technology.—

546 (3) The department is responsible for establishing
547 standards and processes consistent with generally accepted best
548 practices for information technology security, to include
549 cybersecurity, and adopting rules that safeguard an agency's
550 data, information, and information technology resources to

551 ensure availability, confidentiality, and integrity and to
 552 mitigate risks. The department shall also:

553 (a) Designate a state chief information security officer
 554 who shall be appointed by and report to the state chief
 555 information officer of the Florida Digital Service and is in the
 556 Senior Management Service. The state chief information security
 557 officer must have experience and expertise in security and risk
 558 management for communications and information technology
 559 resources.

560 Section 5. Subsection (4) of section 287.0591, Florida
 561 Statutes, is amended to read:

562 287.0591 Information technology.—

563 (4) If the department issues a competitive solicitation
 564 for information technology commodities, consultant services, or
 565 staff augmentation contractual services, the Florida Digital
 566 Service ~~Division of State Technology~~ within the department shall
 567 participate in such solicitations.

568 Section 6. Paragraph (a) of subsection (3) of section
 569 365.171, Florida Statutes, is amended to read:

570 365.171 Emergency communications number E911 state plan.—

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

572 (a) "Office" means the Division of Telecommunications
 573 ~~State Technology~~ within the Department of Management Services,
 574 as designated by the secretary of the department.

575 Section 7. Paragraph (s) of subsection (3) of section

576 | 365.172, Florida Statutes, is amended to read:

577 | 365.172 Emergency communications number "E911."—

578 | (3) DEFINITIONS.—Only as used in this section and ss.

579 | 365.171, 365.173, 365.174, and 365.177, the term:

580 | (s) "Office" means the Division of Telecommunications
 581 | ~~State Technology~~ within the Department of Management Services,
 582 | as designated by the secretary of the department.

583 | Section 8. Paragraph (a) of subsection (1) of section
 584 | 365.173, Florida Statutes, is amended to read:

585 | 365.173 Communications Number E911 System Fund.—

586 | (1) REVENUES.—

587 | (a) Revenues derived from the fee levied on subscribers
 588 | under s. 365.172(8) must be paid by the board into the State
 589 | Treasury on or before the 15th day of each month. Such moneys
 590 | must be accounted for in a special fund to be designated as the
 591 | Emergency Communications Number E911 System Fund, a fund created
 592 | in the Division of Telecommunications ~~State Technology~~, or other
 593 | office as designated by the Secretary of Management Services.

594 | Section 9. Subsection (5) of section 943.0415, Florida
 595 | Statutes, is amended to read:

596 | 943.0415 Cybercrime Office.—There is created within the
 597 | Department of Law Enforcement the Cybercrime Office. The office
 598 | may:

599 | (5) Consult with the Florida Digital Service ~~Division of~~
 600 | ~~State Technology~~ within the Department of Management Services in

601 the adoption of rules relating to the information technology
602 security provisions in s. 282.318.

603 Section 10. Section 560.214, Florida Statutes, is created
604 to read:

605 560.214 Financial Technology Sandbox.-

606 (1) SHORT TITLE.-This section may be cited as the
607 "Financial Technology Sandbox."

608 (2) CREATION OF THE FINANCIAL TECHNOLOGY SANDBOX.-There is
609 created the Financial Technology Sandbox within the office to
610 allow financial technology innovators to test new products and
611 services in a supervised, flexible regulatory sandbox, using
612 waivers of specified general law and corresponding rule
613 requirements under defined conditions. The creation of a
614 supervised, flexible regulatory sandbox provides a welcoming
615 business environment for technology innovators and may lead to
616 significant business growth.

617 (3) DEFINITIONS.-As used in this section, the term:

618 (a) "Consumer" means a person in this state, whether a
619 natural person or a business entity, who purchases, uses,
620 receives, or enters into an agreement to purchase, use, or
621 receive an innovative financial product or service made
622 available through the Financial Technology Sandbox.

623 (b) "Financial product or service" means a product or
624 service related to money transmitters and payment instrument
625 sellers, as defined in s. 560.103, including mediums of exchange

626 that are in electronic or digital form, which is subject to
627 general law or corresponding rule requirements in the sections
628 enumerated in paragraph (4) (a) and which is under the
629 jurisdiction of the office.

630 (c) "Financial Technology Sandbox" means the program
631 created in this section which allows a person to make an
632 innovative financial product or service available to consumers
633 as a money transmitter or payment instrument seller, as defined
634 in s. 560.103, during a sandbox period through a waiver of
635 general laws or rule requirements, or portions thereof, as
636 specified in this section.

637 (d) "Innovative" means new or emerging technology, or new
638 uses of existing technology, which provides a product, service,
639 business model, or delivery mechanism to the public.

640 (e) "Office" means, unless the context clearly indicates
641 otherwise, the Office of Financial Regulation.

642 (f) "Sandbox period" means the period, initially not
643 longer than 24 months, in which the office has:

644 1. Authorized an innovative financial product or service
645 to be made available to consumers.

646 2. Granted the person who makes the innovative financial
647 product or service available a waiver of general law or
648 corresponding rule requirements, as determined by the office, so
649 that the authorization under subparagraph 1. is possible.

650 (4) WAIVERS OF GENERAL LAW AND RULE REQUIREMENTS.—

651 (a) If all the conditions in this section are met, the
652 office may approve the application and grant the applicant a
653 waiver of a requirement, or a portion thereof, which is imposed
654 by a general law or corresponding rule in any of the following
655 sections:

- 656 1. Section 560.1105.
- 657 2. Section 560.118.
- 658 3. Section 560.125, except for s. 560.125(2).
- 659 4. Section 560.128.
- 660 5. Section 560.1401, except for s. 560.1401(2)-(4).
- 661 6. Section 560.141, except for s. 560.141(1)(b)-(d).
- 662 7. Section 560.142, except that the office may prorate,
663 but may not entirely waive, the license renewal fees provided in
664 ss. 560.142 and 560.143 for an extension granted under
665 subsection (7).
- 666 8. Section 560.143(2) to the extent necessary for
667 proration of the renewal fee under subparagraph 7.
- 668 9. Section 560.205, except for s. 560.205(1) and (3).
- 669 10. Section 560.208, except for s. 560.208(3)-(6).
- 670 11. Section 560.209, except that the office may modify,
671 but may not entirely waive, the net worth, corporate surety
672 bond, and collateral deposit amounts required under s. 560.209.
673 The modified amounts must be in such lower amounts that the
674 office determines to be commensurate with the considerations
675 under paragraph (5)(e) and the maximum number of consumers

676 authorized to receive the financial product or service under
677 this section.

678 (b) The office may grant, during a sandbox period, a
679 waiver of a requirement, or a portion thereof, imposed by a
680 general law or corresponding rule in any section enumerated in
681 paragraph (a), if all of the following conditions are met:

682 1. The general law or corresponding rule currently
683 prevents the innovative financial product or service to be made
684 available to consumers.

685 2. The waiver is not broader than necessary to accomplish
686 the purposes and standards specified in this section, as
687 determined by the office.

688 3. No provision relating to the liability of an
689 incorporator, director, or officer of the applicant is eligible
690 for a waiver.

691 4. The other requirements of this section are met.

692 (5) FINANCIAL TECHNOLOGY SANDBOX APPLICATION; STANDARDS
693 FOR APPROVAL.—

694 (a) Before filing an application under this section, a
695 substantially affected person may seek a declaratory statement
696 pursuant to s. 120.565 regarding the applicability of a statute,
697 rule, or agency order to the petitioner's particular set of
698 circumstances.

699 (b) Before making an innovative financial product or
700 service available to consumers in the Financial Technology

701 Sandbox, a person must file an application with the office. The
702 commission shall, by rule, prescribe the form and manner of the
703 application.

704 1. In the application, the person must specify the general
705 law or rule requirements for which a waiver is sought, and the
706 reasons why these requirements prevent the innovative financial
707 product or service from being made available to consumers.

708 2. The application must also contain the information
709 specified in paragraph (e).

710 (c) A business entity filing an application under this
711 section must be a domestic corporation or other organized
712 domestic entity with a physical presence, other than that of a
713 registered office or agent or virtual mailbox, in this state.

714 (d) Before a person applies on behalf of a business entity
715 intending to make an innovative financial product or service
716 available to consumers, the person must obtain the consent of
717 the business entity.

718 (e) The office shall approve or deny in writing a
719 Financial Technology Sandbox application within 60 days after
720 receiving the completed application. The office and the
721 applicant may jointly agree to extend the time beyond 60 days.
722 The office may impose conditions on any approval, consistent
723 with this section. In deciding to approve or deny an
724 application, the office must consider each of the following:

725 1. The nature of the innovative financial product or

726 service proposed to be made available to consumers in the
727 Financial Technology Sandbox, including all relevant technical
728 details.

729 2. The potential risk to consumers and the methods that
730 will be used to protect consumers and resolve complaints during
731 the sandbox period.

732 3. The business plan proposed by the applicant, including
733 a statement regarding the applicant's current and proposed
734 capitalization.

735 4. Whether the applicant has the necessary personnel,
736 adequate financial and technical expertise, and a sufficient
737 plan to test, monitor, and assess the innovative financial
738 product or service.

739 5. Whether any person substantially involved in the
740 development, operation, or management of the applicant's
741 innovative financial product or service has pled no contest to,
742 has been convicted or found guilty of, or is currently under
743 investigation for, fraud, a state or federal securities
744 violation, a property-based offense, or a crime involving moral
745 turpitude or dishonest dealing. A plea of no contest, a
746 conviction, or a finding of guilt must be reported under this
747 subparagraph regardless of adjudication.

748 6. A copy of the disclosures that will be provided to
749 consumers under paragraph (6)(c).

750 7. The financial responsibility of any person

751 substantially involved in the development, operation, or
752 management of the applicant's innovative financial product or
753 service.

754 8. Any other factor that the office determines to be
755 relevant.

756 (f) The office may not approve an application if:

757 1. The applicant had a prior Financial Technology Sandbox
758 application that was approved and that related to a
759 substantially similar financial product or service; or

760 2. Any person substantially involved in the development,
761 operation, or management of the applicant's innovative financial
762 product or service was substantially involved in such with
763 another Financial Technology Sandbox applicant whose application
764 was approved and whose application related to a substantially
765 similar financial product or service.

766 (g) Upon approval of an application, the office shall
767 specify the general law or rule requirements, or portions
768 thereof, for which a waiver is granted during the sandbox period
769 and the length of the initial sandbox period, not to exceed 24
770 months. The office shall post on its website notice of the
771 approval of the application, a summary of the innovative
772 financial product or service, and the contact information of the
773 person making the financial product or service available.

774 (6) OPERATION OF THE FINANCIAL TECHNOLOGY SANDBOX.-

775 (a) A person whose Financial Technology Sandbox

776 application is approved may make an innovative financial product
777 or service available to consumers during the sandbox period.

778 (b) The office may, on a case-by-case basis, specify the
779 maximum number of consumers authorized to receive an innovative
780 financial product or service, after consultation with the person
781 who makes the financial product or service available to
782 consumers. The office may not authorize more than 15,000
783 consumers to receive the financial product or service until the
784 person who makes the financial product or service available to
785 consumers has filed the first report required under subsection
786 (8). After the filing of the report, if the person demonstrates
787 adequate financial capitalization, risk management process, and
788 management oversight, the office may authorize up to 25,000
789 consumers to receive the financial product or service.

790 (c)1. Before a consumer purchases, uses, receives, or
791 enters into an agreement to purchase, use, or receive an
792 innovative financial product or service through the Financial
793 Technology Sandbox, the person making the financial product or
794 service available must provide a written statement of all of the
795 following to the consumer:

796 a. The name and contact information of the person making
797 the financial product or service available to consumers.

798 b. That the financial product or service has been
799 authorized to be made available to consumers for a temporary
800 period by the office, under the laws of this state.

801 c. That the state does not endorse the financial product
802 or service.

803 d. That the financial product or service is undergoing
804 testing, may not function as intended, and may entail financial
805 risk.

806 e. That the person making the financial product or service
807 available to consumers is not immune from civil liability for
808 any losses or damages caused by the financial product or
809 service.

810 f. The expected end date of the sandbox period.

811 g. The contact information for the office, and
812 notification that suspected legal violations, complaints, or
813 other comments related to the financial product or service may
814 be submitted to the office.

815 h. Any other statements or disclosures required by rule of
816 the commission which are necessary to further the purposes of
817 this section.

818 2. The written statement must contain an acknowledgement
819 from the consumer, which must be retained for the duration of
820 the sandbox period by the person making the financial product or
821 service available.

822 (d) The office may enter into an agreement with a state,
823 federal, or foreign regulatory agency to allow persons who make
824 an innovative financial product or service available in this
825 state through the Financial Technology Sandbox to make their

826 products or services available in other jurisdictions.

827 (e)1. A person whose Financial Technology Sandbox
828 application is approved by the office shall maintain
829 comprehensive records relating to the innovative financial
830 product or service. The person shall keep these records for at
831 least 5 years after the conclusion of the sandbox period. The
832 commission may specify by rule additional records requirements.

833 2. The office may examine the records maintained under
834 subparagraph 1. at any time, with or without notice.

835 (7) EXTENSIONS AND CONCLUSION OF SANDBOX PERIOD.—

836 (a) A person who is authorized to make an innovative
837 financial product or service available to consumers may apply
838 for an extension of the initial sandbox period for up to 12
839 additional months for a purpose specified in subparagraph (b)1.
840 or subparagraph (b)2. A complete application for an extension
841 must be filed with the office at least 90 days before the
842 conclusion of the initial sandbox period. The office shall
843 approve or deny the application for extension in writing at
844 least 35 days before the conclusion of the initial sandbox
845 period. In deciding to approve or deny an application for
846 extension of the sandbox period, the office must, at a minimum,
847 consider the current status of the factors previously considered
848 under paragraph (5) (e).

849 (b) An application for an extension under paragraph (a)
850 must cite one of the following reasons as the basis for the

851 application and must provide all relevant supporting information
852 that:

853 1. Amendments to general law or rules are necessary to
854 offer the innovative financial product or service in this state
855 permanently.

856 2. An application for a license that is required in order
857 to offer the innovative financial product or service in this
858 state permanently has been filed with the office, and approval
859 is pending.

860 (c) At least 30 days before the conclusion of the initial
861 sandbox period or the extension, whichever is later, a person
862 who makes an innovative financial product or service available
863 shall provide written notification to consumers regarding the
864 conclusion of the initial sandbox period or the extension and
865 may not make the financial product or service available to any
866 new consumers after the conclusion of the initial sandbox period
867 or the extension, whichever is later, until legal authority
868 outside of the Financial Technology Sandbox exists to make the
869 financial product or service available to consumers. After the
870 conclusion of the sandbox period or the extension, whichever is
871 later, the person may:

872 1. Collect and receive money owed to the person or pay
873 money owed by the person, based on agreements with consumers
874 made before the conclusion of the sandbox period or the
875 extension.

876 2. Take necessary legal action.
 877 3. Take other actions authorized by commission rule which
 878 are not inconsistent with this subsection.

879 (8) REPORT.—A person authorized to make an innovative
 880 financial product or service available to consumers under this
 881 section shall submit a report to the office twice a year as
 882 prescribed by commission rule. The report must, at a minimum,
 883 include financial reports and the number of consumers who have
 884 received the financial product or service.

885 (9) CONSTRUCTION.—A person whose Financial Technology
 886 Sandbox application is approved shall be deemed licensed under
 887 part II of this chapter unless the person's authorization to
 888 make the financial product or service available to consumers
 889 under this section has been revoked or suspended.

890 (10) VIOLATIONS AND PENALTIES.—

891 (a) A person who makes an innovative financial product or
 892 service available to consumers in the Financial Technology
 893 Sandbox is:

894 1. Not immune from civil damages for acts and omissions
 895 relating to this section.

896 2. Subject to all criminal and consumer protection laws.

897 (b)1. The office may, by order, revoke or suspend
 898 authorization granted to a person to make an innovative
 899 financial product or service available to consumers if:

900 a. The person has violated or refused to comply with this

901 section, a rule of the commission, an order of the office, or a
902 condition placed by the office on the approval of the person's
903 Financial Technology Sandbox application;

904 b. A fact or condition exists that, if it had existed or
905 become known at the time that the Financial Technology Sandbox
906 application was pending, would have warranted denial of the
907 application or the imposition of material conditions;

908 c. A material error, false statement, misrepresentation,
909 or material omission was made in the Financial Technology
910 Sandbox application; or

911 d. After consultation with the person, continued testing
912 of the innovative financial product or service would:

913 (I) Be likely to harm consumers; or

914 (II) No longer serve the purposes of this section because
915 of the financial or operational failure of the financial product
916 or service.

917 2. Written notice of a revocation or suspension order made
918 under subparagraph 1. shall be served using any means authorized
919 by law. If the notice relates to a suspension, the notice must
920 include any condition or remedial action that the person must
921 complete before the office lifts the suspension.

922 (c) The office may refer any suspected violation of law to
923 an appropriate state or federal agency for investigation,
924 prosecution, civil penalties, and other appropriate enforcement
925 actions.

926 (d) If service of process on a person making an innovative
927 financial product or service available to consumers in the
928 Financial Technology Sandbox is not feasible, service on the
929 office shall be deemed service on such person.

930 (11) RULES AND ORDERS.—

931 (a) The commission shall adopt rules to administer this
932 section.

933 (b) The office may issue all necessary orders to enforce
934 this section and may enforce these orders in accordance with
935 chapter 120 or in any court of competent jurisdiction. These
936 orders include, but are not limited to, orders for payment of
937 restitution for harm suffered by consumers as a result of an
938 innovative financial product or service.

939 Section 11. This act shall take effect January 1, 2021.