

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [HB 7003](#) [PCB GOS 25-03](#)
TITLE: OGSR/Financial Technology Sandbox
Applications/OFR
SPONSOR(S): Sapp

COMPANION BILL: None
LINKED BILLS: None
RELATED BILLS: None

Committee References

[Orig. Comm.: Government
Operations](#)
17 Y, 0 N



[Insurance & Banking](#)
17 Y, 0 N



[State Affairs](#)

SUMMARY

Effect of the Bill:

The bill saves from repeal the public record exemption for specified sensitive business information held by the Office of Financial Regulation to evaluate a Financial Technology Sandbox application. The public record exemption will repeal on October 2, 2025, if the bill does not become a law.

Fiscal or Economic Impact:

None.

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ANALYSIS

EFFECT OF THE BILL:

The bill removes the scheduled repeal date, created pursuant to the [Open Government Sunset Review Act](#), for the public record exemption for specified sensitive business information provided to and held by the Office of Financial Regulation to evaluate an application to participate in the [Financial Technology Sandbox](#). The public record exemption will repeal on October 2, 2025, if the bill does not become a law. (Section 1)

The effective date of the bill is October 1, 2025. (Section 2)

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Open Government Sunset Review Act](#)

The Open Government Sunset Review Act (OGSR Act)¹ sets forth a legislative review process for newly created or substantially amended public record or public meeting exemptions. It requires an automatic repeal of the exemption on October 2nd of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.²

The OGSR Act provides that a public record or public meeting exemption may be created or maintained only if it serves an identifiable public purpose. In addition, it may be no broader than is necessary to meet one of the following purposes:

- Allow the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption.
- Protect sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety; however, only the identity of an individual may be exempted under this provision.

¹ S. [119.15.F.S.](#)

² S. [119.15\(3\).F.S.](#)

STORAGE NAME: h7003a.IBS

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- Protect trade or business secrets.³

If, and only if, in reenacting an exemption that will repeal, the exemption is expanded, then a public necessity statement and a two-thirds vote for passage are required. If the exemption is reenacted with grammatical or stylistic changes that do not expand the exemption, if the exemption is narrowed, or if an exception to the exemption is created, then a public necessity statement and a two-thirds vote are not required.⁴

[Financial Technology Sandbox](#)

The Financial Technology Sandbox was created within the Office of Financial Regulation (OFR) to allow financial technology innovators to test new products and services in a supervised, flexible regulatory sandbox using exceptions to specified general law and waivers of the corresponding rule requirements under defined conditions. The intent of the creation of the regulatory sandbox is to provide a welcoming business environment for technology innovators.⁵

Before making an innovative financial product or service⁶ available in the Financial Technology Sandbox, a business entity must file an application for licensure with OFR.⁷ In the application, the applicant must:⁸

- Specify each general law enumerated in the Financial Technology Sandbox law that prevents the innovative financial product or service from being made available to consumers and the reasons why those provisions of general law prevent the innovative financial product or service from being made available to consumers.
- Submit sufficient information for the OFR to evaluate the following factors and any other factors that the OFR determines to be relevant, including:⁹
 - The nature of the innovative financial product or service proposed to be made available to consumers in the Financial Technology Sandbox, including all relevant technical details.
 - The potential risk to consumers and the methods that will be used to protect consumers and resolve complaints during the sandbox period.
 - The business plan proposed by the applicant, including company information, market analysis, and financial projections or pro forma financial statements, and evidence of the financial viability of the applicant.
 - Whether the applicant has the necessary personnel, adequate financial and technical expertise, and a sufficient plan to test, monitor, and assess the innovative financial product or service.
 - Whether any control person of the applicant, regardless of adjudication, has pled no contest to, has been convicted or found guilty of, or is currently under investigation for fraud, a state or federal securities violation, a property-based offense, or a crime involving moral turpitude or dishonest dealing.
 - A copy of specified consumer disclosures that will be provided to consumers.
 - The financial responsibility of the applicant and any control person, including whether the applicant or any control person has a history of unpaid liens, unpaid judgments, or other general history of nonpayment of legal debts.
- Include evidence that the business entity has authorized the person to submit the application on behalf of the business entity intending to make an innovative financial product or service available to consumers.
- Specify the maximum number of consumers to whom the applicant proposes to provide the innovative financial product or service.
- Include a proposed draft of the statement or statements which the applicant proposes to provide to consumers.

³ S. [119.15\(6\)\(b\), F.S.](#)

⁴ [Art. I, s. 24\(c\), FLA. CONST.](#)

⁵ S. [559.952\(2\), F.S.](#)

⁶ S. [559.952\(3\)\(f\), F.S.](#) defines the term “financial product or service” as a product or service related to a consumer finance loan, or a money transmitter or payment instrument seller, including mediums of exchange that are in electronic or digital form, which is subject to the general laws enumerated in the Financial Technology Sandbox law and corresponding rule requirements and which is under the jurisdiction of the OFR.

⁷ S. [559.952\(5\)\(b\), F.S.](#)

⁸ *Id.*

⁹ S. [559.952\(5\)\(c\), F.S.](#)

OFR must approve or deny the Financial Technology Sandbox application within 60 days after receiving a completed application.¹⁰ Agency rule provides further detail on the application form, fees, and evaluation process.¹¹

Public Record Exemption under Review

In 2020, the Legislature created a public record exemption that holds confidential and exempt¹² the following information provided to and held by the OFR in a Financial Technology Sandbox application:¹³

- Reasons why general laws enumerated in the Financial Technology Sandbox law¹⁴ prevent the innovative financial product or service from being made available to consumers.¹⁵
- Information provided for evaluation of the nature of the innovative financial product or service proposed to be made available to consumers in the Financial Technology Sandbox, including all relevant technical details.¹⁶
- Information provided for the evaluation of the business plan proposed by the applicant that includes company information, market analysis, and financial projections or pro forma financial statements, and evidence of the financial viability of the applicant.¹⁷
- Information provided for evaluation of whether the applicant has a sufficient plan to test, monitor, and assess the innovative financial product or service.¹⁸ Such information includes whether the applicant has the necessary personnel and adequate financial and technical expertise.¹⁹

The confidential and exempt information may be released to the appropriate state and federal agencies for purposes of an investigation. The exemption of the aforementioned information cannot be construed to prevent OFR from disclosing a summary of the innovative product or service.²⁰

The 2020 public necessity statement²¹ provided that:

[T]he disclosure of such information could adversely affect the business interests of the Financial Technology Sandbox applicant and could injure the applicant in the marketplace if the information is made available to competitors [and the] divulgence of [such sensitive] information would destroy its value to the business entity potentially causing a financial loss.²²

Pursuant to the OGSR Act, the exemption will repeal on October 2, 2025, unless reenacted by the Legislature.²³

¹⁰ S. [559.952\(5\)\(c\), F.S.](#)

¹¹ R. 69V-559.102, F.A.C.; *see also* r. 69V-559.1012, F.A.C and r. 69V-559.1021, F.A.C.

¹² There is a difference between records the Legislature designates exempt from public record requirements and those the Legislature designates confidential and exempt. A record classified as exempt from public disclosure may be disclosed under certain circumstances. *See WFTV, Inc. v. Sch. Bd. of Seminole*, 874 So.2d 48, 53 (Fla. 5th DCA 2004), *review denied*, 892 So.2d 1015 (Fla. 2004); *State v. Wooten*, 260 So. 3d 1060, 1070 (Fla. 4th DCA 2018); *City of Riviera Beach v. Barfield*, 642 So.2d 1135 (Fla. 4th DCA 1994); *Williams v. City of Minneola*, 575 So.2d 683, 687 (Fla. 5th DCA 1991). If the Legislature designates a record as confidential and exempt from public disclosure, such record may not be released by the custodian of public records to anyone other than the persons or entities specifically designated in statute. *See* Op. Att’y Gen. Fla. 04- 09 (2004).

¹³ S. [559.952\(5\)\(h\), F.S.](#)

¹⁴ S. [559.952\(4\)\(a\), F.S.](#), provides that upon approval of a Financial Technology Sandbox application, certain enumerated provisions in general law and corresponding rule requirements are not applicable to the licensee during the sandbox period. Sandbox period is the initial 24-month period in which the office has authorized a licensee to make an innovative financial product or service available to consumers, and any granted extension.

¹⁵ S. [559.952\(5\)\(h\)1.a, F.S.](#)

¹⁶ S. [559.952\(5\)\(h\)1.b, F.S.](#)

¹⁷ *Id.*

¹⁸ S. [559.952\(5\)\(h\)1.c, F.S.](#)

¹⁹ S. [559.952\(5\)\(c\)4, F.S.](#)

²⁰ S. [559.952\(5\)\(h\), F.S.](#)

²¹ [Art. I, s. 24\(c\), FLA. CONST.](#), requires each public record exemption to “state with specificity the public necessity justifying exemption.”

²² [Ch. 2020-162, L.O.F.](#)

²³ S. [559.952\(5\)\(h\)2, F.S.](#)

During the 2024 interim, House and Senate committee staff met jointly with staff from the OFR to discuss the public record exemption under review. OFR staff indicated that they had no issue interpreting or applying the exemption and were unaware of any litigation concerning the exemption. OFR staff recommended reenacting the exemption as is.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Orig. Comm.: Government Operations Subcommittee	17 Y, 0 N	2/18/2025	Toliver	Villa
Insurance & Banking Subcommittee State Affairs Committee	17 Y, 0 N	3/5/2025	Lloyd	Schenk