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1
2 An act relating to technology innovation; amending s.
3 20.22, F.S.; establishing the Florida Digital Service
4 and the Division of Telecommunications within the
5 Department of Management Services; abolishing the
6 Division of State Technology within the department;
7 amending s. 110.205, F.S.; exempting the state chief
8 data officer and the state chief information security
9 officer within the Florida Digital Service from the
10 Career Service System; providing for the salary and
11 benefits of such positions to be set by the
12 department; amending s. 282.0041, F.S.; defining
13 terms; revising the definition of the term "open
14 data"; amending s. 282.0051, F.S.; revising
15 information technology-related powers, duties, and
16 functions of the department acting through the Florida
17 Digital Service; specifying the designation of the
18 state chief information officer and the state chief
19 data officer; specifying qualifications for such
20 positions; specifying requirements, contingent upon
21 legislative appropriation, for the department;
22 authorizing the department to develop a certain
23 process; prohibiting the department from retrieving or
24 disclosing any data without a certain shared-data
25 agreement in place; specifying rulemaking authority

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26 | for the department; amending s. 282.00515, F.S.;

27 | requiring the Department of Legal Affairs, the

28 | Department of Financial Services, or the Department of

29 | Agriculture and Consumer Services to notify the

30 | Governor and the Legislature and provide a certain

31 | justification and explanation if such agency adopts

32 | alternative standards to certain enterprise

33 | architecture standards; providing construction;

34 | prohibiting the department from retrieving or

35 | disclosing any data without a certain shared-data

36 | agreement in place; conforming a cross-reference;

37 | amending ss. 282.318, 287.0591, 365.171, 365.172,

38 | 365.173, and 943.0415, F.S.; conforming provisions to

39 | changes made by the act; creating s. 559.952, F.S.;

40 | providing a short title; creating the Financial

41 | Technology Sandbox within the Office of Financial

42 | Regulation; defining terms; requiring the office, if

43 | certain conditions are met, to grant a license to a

44 | Financial Technology Sandbox applicant, grant

45 | exceptions to specified provisions of general law

46 | relating to consumer finance loans and money services

47 | businesses, and grant waivers of certain rules;

48 | authorizing a substantially affected person to seek a

49 | declaratory statement before applying to the Financial

50 | Technology Sandbox; specifying application

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51 requirements and procedures; specifying requirements
52 and procedures for the office in reviewing and
53 approving or denying applications; providing
54 requirements for the office in specifying the number
55 of the consumers authorized to receive an innovative
56 financial product or service; specifying authorized
57 actions of, limitations on, and requirements for
58 licensees operating in the Financial Technology
59 Sandbox; requiring licensees to make a specified
60 disclosure to consumers; authorizing the office to
61 enter into certain agreements with other regulatory
62 agencies; authorizing the office to examine licensee
63 records; authorizing a licensee to apply for one
64 extension of an initial sandbox period for a certain
65 timeframe; specifying requirements and procedures for
66 applying for an extension; specifying requirements and
67 procedures for, and authorized actions of, licensees
68 when concluding a sandbox period or extension;
69 requiring licensees to submit certain reports to the
70 office at specified intervals; providing construction;
71 specifying the liability of a licensee; authorizing
72 the office to take certain disciplinary actions
73 against a licensee under certain circumstances;
74 providing construction relating to service of process;
75 specifying the rulemaking authority of the Financial

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76 Services Commission; providing the office authority to
 77 issue orders and enforce the orders; providing an
 78 appropriation; providing that specified provisions of
 79 the act are contingent upon passage of other
 80 provisions addressing public records; providing
 81 effective dates.

82

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

84

85 Section 1. Subsection (2) of section 20.22, Florida
 86 Statutes, is amended to read:

87 20.22 Department of Management Services.—There is created
 88 a Department of Management Services.

89 (2) The following divisions, and programs, and services
 90 within the Department of Management Services are established:

91 (a) Facilities Program.

92 (b) The Florida Digital Service Division ~~of State~~
 93 ~~Technology, the director of which is appointed by the secretary~~
 94 ~~of the department and shall serve as the state chief information~~
 95 ~~officer. The state chief information officer must be a proven,~~
 96 ~~effective administrator who must have at least 10 years of~~
 97 ~~executive-level experience in the public or private sector,~~
 98 ~~preferably with experience in the development of information~~
 99 ~~technology strategic planning and the development and~~
 100 ~~implementation of fiscal and substantive information technology~~

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101 ~~policy and standards.~~

102 (c) Workforce Program.

103 (d)1. Support Program.

104 2. Federal Property Assistance Program.

105 (e) Administration Program.

106 (f) Division of Administrative Hearings.

107 (g) Division of Retirement.

108 (h) Division of State Group Insurance.

109 (i) Division of Telecommunications.

110 Section 2. Paragraph (e) of subsection (2) of section
111 110.205, Florida Statutes, is amended to read:

112 110.205 Career service; exemptions.—

113 (2) EXEMPT POSITIONS.—The exempt positions that are not
114 covered by this part include the following:

115 (e) The state chief information officer, the state chief
116 data officer, and the state chief information security officer.

117 ~~Unless otherwise fixed by law,~~ The Department of Management
118 Services shall set the salary and benefits of these positions
119 ~~this position~~ in accordance with the rules of the Senior
120 Management Service.

121 Section 3. Section 282.0041, Florida Statutes, is amended
122 to read:

123 282.0041 Definitions.—As used in this chapter, the term:

124 (1) "Agency assessment" means the amount each customer
125 entity must pay annually for services from the Department of

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126 Management Services and includes administrative and data center
 127 services costs.

128 (2) "Agency data center" means agency space containing 10
 129 or more physical or logical servers.

130 (3) "Breach" has the same meaning as provided in s.
 131 501.171.

132 (4) "Business continuity plan" means a collection of
 133 procedures and information designed to keep an agency's critical
 134 operations running during a period of displacement or
 135 interruption of normal operations.

136 (5) "Cloud computing" has the same meaning as provided in
 137 Special Publication 800-145 issued by the National Institute of
 138 Standards and Technology.

139 (6) "Computing facility" or "agency computing facility"
 140 means agency space containing fewer than a total of 10 physical
 141 or logical servers, but excluding single, logical-server
 142 installations that exclusively perform a utility function such
 143 as file and print servers.

144 (7) "Customer entity" means an entity that obtains
 145 services from the Department of Management Services.

146 (8) "Data" means a subset of structured information in a
 147 format that allows such information to be electronically
 148 retrieved and transmitted.

149 (9) "Data governance" means the practice of organizing,
 150 classifying, securing, and implementing policies, procedures,

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151 and standards for the effective use of an organization's data.

152 (10) "Department" means the Department of Management
153 Services.

154 (11)~~(10)~~ "Disaster recovery" means the process, policies,
155 procedures, and infrastructure related to preparing for and
156 implementing recovery or continuation of an agency's vital
157 technology infrastructure after a natural or human-induced
158 disaster.

159 (12) "Electronic" means technology having electrical,
160 digital, magnetic, wireless, optical, electromagnetic, or
161 similar capabilities.

162 (13) "Electronic credential" means an electronic
163 representation of the identity of a person, an organization, an
164 application, or a device.

165 (14) "Enterprise" means state agencies and the Department
166 of Legal Affairs, the Department of Financial Services, and the
167 Department of Agriculture and Consumer Services.

168 (15) "Enterprise architecture" means a comprehensive
169 operational framework that contemplates the needs and assets of
170 the enterprise to support interoperability.

171 (16)~~(11)~~ "Enterprise information technology service" means
172 an information technology service that is used in all agencies
173 or a subset of agencies and is established in law to be
174 designed, delivered, and managed at the enterprise level.

175 (17)~~(12)~~ "Event" means an observable occurrence in a

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176 system or network.

177 (18)~~(13)~~ "Incident" means a violation or imminent threat
178 of violation, whether such violation is accidental or
179 deliberate, of information technology resources, security,
180 policies, or practices. An imminent threat of violation refers
181 to a situation in which the state agency has a factual basis for
182 believing that a specific incident is about to occur.

183 (19)~~(14)~~ "Information technology" means equipment,
184 hardware, software, firmware, programs, systems, networks,
185 infrastructure, media, and related material used to
186 automatically, electronically, and wirelessly collect, receive,
187 access, transmit, display, store, record, retrieve, analyze,
188 evaluate, process, classify, manipulate, manage, assimilate,
189 control, communicate, exchange, convert, converge, interface,
190 switch, or disseminate information of any kind or form.

191 (20)~~(15)~~ "Information technology policy" means a definite
192 course or method of action selected from among one or more
193 alternatives that guide and determine present and future
194 decisions.

195 (21)~~(16)~~ "Information technology resources" has the same
196 meaning as provided in s. 119.011.

197 (22)~~(17)~~ "Information technology security" means the
198 protection afforded to an automated information system in order
199 to attain the applicable objectives of preserving the integrity,
200 availability, and confidentiality of data, information, and

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201 information technology resources.

202 (23) "Interoperability" means the technical ability to
 203 share and use data across and throughout the enterprise.

204 (24)~~(18)~~ "Open data" means data collected or created by a
 205 state agency, the Department of Legal Affairs, the Department of
 206 Financial Services, and the Department of Agriculture and
 207 Consumer Services, and structured in a way that enables the data
 208 to be fully discoverable and usable by the public. The term does
 209 not include data that are restricted from public disclosure
 210 ~~distribution~~ based on federal or state ~~privacy, confidentiality,~~
 211 ~~and security~~ laws and regulations, including, but not limited
 212 to, those related to privacy, confidentiality, security,
 213 personal health, business or trade secret information, and
 214 exemptions from state public records laws; or data for which a
 215 state agency, the Department of Legal Affairs, the Department of
 216 Financial Services, or the Department of Agriculture and
 217 Consumer Services is statutorily authorized to assess a fee for
 218 its distribution.

219 (25)~~(19)~~ "Performance metrics" means the measures of an
 220 organization's activities and performance.

221 (26)~~(20)~~ "Project" means an endeavor that has a defined
 222 start and end point; is undertaken to create or modify a unique
 223 product, service, or result; and has specific objectives that,
 224 when attained, signify completion.

225 (27)~~(21)~~ "Project oversight" means an independent review

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226 | and analysis of an information technology project that provides
 227 | information on the project's scope, completion timeframes, and
 228 | budget and that identifies and quantifies issues or risks
 229 | affecting the successful and timely completion of the project.

230 | (28)~~(22)~~ "Risk assessment" means the process of
 231 | identifying security risks, determining their magnitude, and
 232 | identifying areas needing safeguards.

233 | (29)~~(23)~~ "Service level" means the key performance
 234 | indicators (KPI) of an organization or service which must be
 235 | regularly performed, monitored, and achieved.

236 | (30)~~(24)~~ "Service-level agreement" means a written
 237 | contract between the Department of Management Services and a
 238 | customer entity which specifies the scope of services provided,
 239 | service level, the duration of the agreement, the responsible
 240 | parties, and service costs. A service-level agreement is not a
 241 | rule pursuant to chapter 120.

242 | (31)~~(25)~~ "Stakeholder" means a person, group,
 243 | organization, or state agency involved in or affected by a
 244 | course of action.

245 | (32)~~(26)~~ "Standards" means required practices, controls,
 246 | components, or configurations established by an authority.

247 | (33)~~(27)~~ "State agency" means any official, officer,
 248 | commission, board, authority, council, committee, or department
 249 | of the executive branch of state government; the Justice
 250 | Administrative Commission; and the Public Service Commission.

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251 The term does not include university boards of trustees or state
 252 universities. As used in part I of this chapter, except as
 253 otherwise specifically provided, the term does not include the
 254 Department of Legal Affairs, the Department of Agriculture and
 255 Consumer Services, or the Department of Financial Services.

256 (34)~~(28)~~ "SUNCOM Network" means the state enterprise
 257 telecommunications system that provides all methods of
 258 electronic or optical telecommunications beyond a single
 259 building or contiguous building complex and used by entities
 260 authorized as network users under this part.

261 (35)~~(29)~~ "Telecommunications" means the science and
 262 technology of communication at a distance, including electronic
 263 systems used in the transmission or reception of information.

264 (36)~~(30)~~ "Threat" means any circumstance or event that has
 265 the potential to adversely impact a state agency's operations or
 266 assets through an information system via unauthorized access,
 267 destruction, disclosure, or modification of information or
 268 denial of service.

269 (37)~~(31)~~ "Variance" means a calculated value that
 270 illustrates how far positive or negative a projection has
 271 deviated when measured against documented estimates within a
 272 project plan.

273 Section 4. Section 282.0051, Florida Statutes, is amended
 274 to read:

275 282.0051 Department of Management Services; Florida

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276 Digital Service; powers, duties, and functions.-

277 (1) The Florida Digital Service has been created within
 278 the department to propose innovative solutions that securely
 279 modernize state government, including technology and information
 280 services, to achieve value through digital transformation and
 281 interoperability, and to fully support the cloud-first policy as
 282 specified in s. 282.206. The department, through the Florida
 283 Digital Service, shall have the following powers, duties, and
 284 functions:

285 (a)~~(1)~~ Develop and publish information technology policy
 286 for the management of the state's information technology
 287 resources.

288 (b)~~(2)~~ Develop an enterprise architecture that:

289 1. Acknowledges the unique needs of the entities within
 290 the enterprise in the development and publication of standards
 291 and terminologies to facilitate digital interoperability;

292 2. Supports the cloud-first policy as specified in s.
 293 282.206; and

294 3. Addresses how information technology infrastructure may
 295 be modernized to achieve cloud-first objectives ~~Establish and~~
 296 ~~publish information technology architecture standards to provide~~
 297 ~~for the most efficient use of the state's information technology~~
 298 ~~resources and to ensure compatibility and alignment with the~~
 299 ~~needs of state agencies. The department shall assist state~~
 300 ~~agencies in complying with the standards.~~

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301 (c)~~(3)~~ Establish project management and oversight
302 standards with which state agencies must comply when
303 implementing information technology projects. The department,
304 acting through the Florida Digital Service, shall provide
305 training opportunities to state agencies to assist in the
306 adoption of the project management and oversight standards. To
307 support data-driven decisionmaking, the standards must include,
308 but are not limited to:

309 1.~~(a)~~ Performance measurements and metrics that
310 objectively reflect the status of an information technology
311 project based on a defined and documented project scope, cost,
312 and schedule.

313 2.~~(b)~~ Methodologies for calculating acceptable variances
314 in the projected versus actual scope, schedule, or cost of an
315 information technology project.

316 3.~~(c)~~ Reporting requirements, including requirements
317 designed to alert all defined stakeholders that an information
318 technology project has exceeded acceptable variances defined and
319 documented in a project plan.

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

321 (d)~~(4)~~ Perform project oversight on all state agency
322 information technology projects that have total project costs of
323 \$10 million or more and that are funded in the General
324 Appropriations Act or any other law. The department, acting
325 through the Florida Digital Service, shall report at least

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326 quarterly to the Executive Office of the Governor, the President
327 of the Senate, and the Speaker of the House of Representatives
328 on any information technology project that the department
329 identifies as high-risk due to the project exceeding acceptable
330 variance ranges defined and documented in a project plan. The
331 report must include a risk assessment, including fiscal risks,
332 associated with proceeding to the next stage of the project, and
333 a recommendation for corrective actions required, including
334 suspension or termination of the project.

335 (e)~~(5)~~ Identify opportunities for standardization and
336 consolidation of information technology services that support
337 interoperability and the cloud-first policy, as specified in s.
338 282.206, and business functions and operations, including
339 administrative functions such as purchasing, accounting and
340 reporting, cash management, and personnel, and that are common
341 across state agencies. The department, acting through the
342 Florida Digital Service, shall biennially on January 1 of each
343 even-numbered year ~~April 1~~ provide recommendations for
344 standardization and consolidation to the Executive Office of the
345 Governor, the President of the Senate, and the Speaker of the
346 House of Representatives.

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

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351 (g)~~(7)~~ Develop standards for information technology
352 reports and updates, including, but not limited to, operational
353 work plans, project spend plans, and project status reports, for
354 use by state agencies.

355 (h)~~(8)~~ Upon request, assist state agencies in the
356 development of information technology-related legislative budget
357 requests.

358 (i)~~(9)~~ Conduct annual assessments of state agencies to
359 determine compliance with all information technology standards
360 and guidelines developed and published by the department and
361 provide results of the assessments to the Executive Office of
362 the Governor, the President of the Senate, and the Speaker of
363 the House of Representatives.

364 (j)~~(10)~~ Provide operational management and oversight of
365 the state data center established pursuant to s. 282.201, which
366 includes:

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

370 2.~~(b)~~ Developing and implementing cost-recovery mechanisms
371 that recover the full direct and indirect cost of services
372 through charges to applicable customer entities. Such cost-
373 recovery mechanisms must comply with applicable state and
374 federal regulations concerning distribution and use of funds and
375 must ensure that, for any fiscal year, no service or customer

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376 | entity subsidizes another service or customer entity. The
377 | Florida Digital Service may recommend other payment mechanisms
378 | to the Executive Office of the Governor, the President of the
379 | Senate, and the Speaker of the House of Representatives. Such
380 | mechanism may be implemented only if specifically authorized by
381 | the Legislature.

382 | ~~3.(e)~~ Developing and implementing appropriate operating
383 | guidelines and procedures necessary for the state data center to
384 | perform its duties pursuant to s. 282.201. The guidelines and
385 | procedures must comply with applicable state and federal laws,
386 | regulations, and policies and conform to generally accepted
387 | governmental accounting and auditing standards. The guidelines
388 | and procedures must include, but need not be limited to:

389 | ~~a.1.~~ Implementing a consolidated administrative support
390 | structure responsible for providing financial management,
391 | procurement, transactions involving real or personal property,
392 | human resources, and operational support.

393 | ~~b.2.~~ Implementing an annual reconciliation process to
394 | ensure that each customer entity is paying for the full direct
395 | and indirect cost of each service as determined by the customer
396 | entity's use of each service.

397 | ~~c.3.~~ Providing rebates that may be credited against future
398 | billings to customer entities when revenues exceed costs.

399 | ~~d.4.~~ Requiring customer entities to validate that
400 | sufficient funds exist in the appropriate data processing

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401 appropriation category or will be transferred into the
402 appropriate data processing appropriation category before
403 implementation of a customer entity's request for a change in
404 the type or level of service provided, if such change results in
405 a net increase to the customer entity's cost for that fiscal
406 year.

407 e.5. By November 15 of each year, providing to the Office
408 of Policy and Budget in the Executive Office of the Governor and
409 to the chairs of the legislative appropriations committees the
410 projected costs of providing data center services for the
411 following fiscal year.

412 f.6. Providing a plan for consideration by the Legislative
413 Budget Commission if the cost of a service is increased for a
414 reason other than a customer entity's request made pursuant to
415 sub-subparagraph d. ~~subparagraph 4.~~ Such a plan is required only
416 if the service cost increase results in a net increase to a
417 customer entity for that fiscal year.

418 g.7. Standardizing and consolidating procurement and
419 contracting practices.

420 4.(d) In collaboration with the Department of Law
421 Enforcement, developing and implementing a process for
422 detecting, reporting, and responding to information technology
423 security incidents, breaches, and threats.

424 5.(e) Adopting rules relating to the operation of the
425 state data center, including, but not limited to, budgeting and

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426 accounting procedures, cost-recovery methodologies, and
427 operating procedures.

428 (k) Conduct a market analysis not less frequently than
429 every 3 years beginning in 2021 to determine whether the
430 information technology resources within the enterprise are
431 utilized in the most cost-effective and cost-efficient manner,
432 while recognizing that the replacement of certain legacy
433 information technology systems within the enterprise may be cost
434 prohibitive or cost inefficient due to the remaining useful life
435 of those resources; whether the enterprise is complying with the
436 cloud-first policy specified in s. 282.206; and whether the
437 enterprise is utilizing best practices with respect to
438 information technology, information services, and the
439 acquisition of emerging technologies and information services.
440 Each market analysis shall be used to prepare a strategic plan
441 for continued and future information technology and information
442 services for the enterprise, including, but not limited to,
443 proposed acquisition of new services or technologies and
444 approaches to the implementation of any new services or
445 technologies. Copies of each market analysis and accompanying
446 strategic plan must be submitted to the Executive Office of the
447 Governor, the President of the Senate, and the Speaker of the
448 House of Representatives not later than December 31 of each year
449 that a market analysis is conducted.

450 ~~(f) Conducting an annual market analysis to determine~~

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451 ~~whether the state's approach to the provision of data center~~
452 ~~services is the most effective and cost efficient manner by~~
453 ~~which its customer entities can acquire such services, based on~~
454 ~~federal, state, and local government trends; best practices in~~
455 ~~service provision; and the acquisition of new and emerging~~
456 ~~technologies. The results of the market analysis shall assist~~
457 ~~the state data center in making adjustments to its data center~~
458 ~~service offerings.~~

459 (l) ~~(11)~~ Recommend other information technology services
460 that should be designed, delivered, and managed as enterprise
461 information technology services. Recommendations must include
462 the identification of existing information technology resources
463 associated with the services, if existing services must be
464 transferred as a result of being delivered and managed as
465 enterprise information technology services.

466 (m) ~~(12)~~ In consultation with state agencies, propose a
467 methodology and approach for identifying and collecting both
468 current and planned information technology expenditure data at
469 the state agency level.

470 (n) 1. ~~(13) (a)~~ Notwithstanding any other law, provide
471 project oversight on any information technology project of the
472 Department of Financial Services, the Department of Legal
473 Affairs, and the Department of Agriculture and Consumer Services
474 which has a total project cost of \$25 million or more and which
475 impacts one or more other agencies. Such information technology

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476 projects must also comply with the applicable information
477 technology architecture, project management and oversight, and
478 reporting standards established by the department, acting
479 through the Florida Digital Service.

480 2.~~(b)~~ When performing the project oversight function
481 specified in subparagraph 1. ~~paragraph (a)~~, report at least
482 quarterly to the Executive Office of the Governor, the President
483 of the Senate, and the Speaker of the House of Representatives
484 on any information technology project that the department,
485 acting through the Florida Digital Service, identifies as high-
486 risk due to the project exceeding acceptable variance ranges
487 defined and documented in the project plan. The report shall
488 include a risk assessment, including fiscal risks, associated
489 with proceeding to the next stage of the project and a
490 recommendation for corrective actions required, including
491 suspension or termination of the project.

492 (o)~~(14)~~ If an information technology project implemented
493 by a state agency must be connected to or otherwise accommodated
494 by an information technology system administered by the
495 Department of Financial Services, the Department of Legal
496 Affairs, or the Department of Agriculture and Consumer Services,
497 consult with these departments regarding the risks and other
498 effects of such projects on their information technology systems
499 and work cooperatively with these departments regarding the
500 connections, interfaces, timing, or accommodations required to

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501 | implement such projects.

502 | (p) ~~(15)~~ If adherence to standards or policies adopted by
 503 | or established pursuant to this section causes conflict with
 504 | federal regulations or requirements imposed on an entity within
 505 | the enterprise ~~a state agency~~ and results in adverse action
 506 | against an entity ~~the state agency~~ or federal funding, work with
 507 | the entity ~~state agency~~ to provide alternative standards,
 508 | policies, or requirements that do not conflict with the federal
 509 | regulation or requirement. The department, acting through the
 510 | Florida Digital Service, shall annually report such alternative
 511 | standards to the Executive Office of the Governor, the President
 512 | of the Senate, and the Speaker of the House of Representatives.

513 | (q) 1. ~~(16)~~ ~~(a)~~ Establish an information technology policy
 514 | for all information technology-related state contracts,
 515 | including state term contracts for information technology
 516 | commodities, consultant services, and staff augmentation
 517 | services. The information technology policy must include:

518 | a.1. ~~1.~~ Identification of the information technology product
 519 | and service categories to be included in state term contracts.

520 | b.2. ~~2.~~ Requirements to be included in solicitations for
 521 | state term contracts.

522 | c.3. ~~3.~~ Evaluation criteria for the award of information
 523 | technology-related state term contracts.

524 | d.4. ~~4.~~ The term of each information technology-related state
 525 | term contract.

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526 ~~e.5.~~ The maximum number of vendors authorized on each
 527 state term contract.

528 ~~2.(b)~~ Evaluate vendor responses for information
 529 technology-related state term contract solicitations and
 530 invitations to negotiate.

531 ~~3.(c)~~ Answer vendor questions on information technology-
 532 related state term contract solicitations.

533 ~~4.(d)~~ Ensure that the information technology policy
 534 established pursuant to subparagraph 1. ~~paragraph (a)~~ is
 535 included in all solicitations and contracts that are
 536 administratively executed by the department.

537 ~~(r) (17)~~ Recommend potential methods for standardizing data
 538 across state agencies which will promote interoperability and
 539 reduce the collection of duplicative data.

540 ~~(s) (18)~~ Recommend open data technical standards and
 541 terminologies for use by the enterprise state agencies.

542 (t) Ensure that enterprise information technology
 543 solutions are capable of utilizing an electronic credential and
 544 comply with the enterprise architecture standards.

545 (2) (a) The Secretary of Management Services shall
 546 designate a state chief information officer, who shall
 547 administer the Florida Digital Service. The state chief
 548 information officer, prior to appointment, must have at least 5
 549 years of experience in the development of information system
 550 strategic planning and development or information technology

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551 policy, and, preferably, have leadership-level experience in the
552 design, development, and deployment of interoperable software
553 and data solutions.

554 (b) The state chief information officer, in consultation
555 with the Secretary of Management Services, shall designate a
556 state chief data officer. The chief data officer must be a
557 proven and effective administrator who must have significant and
558 substantive experience in data management, data governance,
559 interoperability, and security.

560 (3) The department, acting through the Florida Digital
561 Service and from funds appropriated to the Florida Digital
562 Service, shall:

563 (a) Create, not later than October 1, 2021, and maintain a
564 comprehensive indexed data catalog in collaboration with the
565 enterprise that lists the data elements housed within the
566 enterprise and the legacy system or application in which these
567 data elements are located. The data catalog must, at a minimum,
568 specifically identify all data that is restricted from public
569 disclosure based on federal or state laws and regulations and
570 require that all such information be protected in accordance
571 with s. 282.318.

572 (b) Develop and publish, not later than October 1, 2021,
573 in collaboration with the enterprise, a data dictionary for each
574 agency that reflects the nomenclature in the comprehensive
575 indexed data catalog.

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576 (c) Adopt, by rule, standards that support the creation
577 and deployment of an application programming interface to
578 facilitate integration throughout the enterprise.

579 (d) Adopt, by rule, standards necessary to facilitate a
580 secure ecosystem of data interoperability that is compliant with
581 the enterprise architecture.

582 (e) Adopt, by rule, standards that facilitate the
583 deployment of applications or solutions to the existing
584 enterprise system in a controlled and phased approach.

585 (f) After submission of documented use cases developed in
586 conjunction with the affected agencies, assist the affected
587 agencies with the deployment, contingent upon a specific
588 appropriation therefor, of new interoperable applications and
589 solutions:

590 1. For the Department of Health, the Agency for Health
591 Care Administration, the Agency for Persons with Disabilities,
592 the Department of Education, the Department of Elderly Affairs,
593 and the Department of Children and Families.

594 2. To support military members, veterans, and their
595 families.

596 (4) Upon the adoption of the enterprise architecture
597 standards in rule, the department, acting through the Florida
598 Digital Service, may develop a process to:

599 (a) Receive written notice from the entities within the
600 enterprise of any planned procurement of an information

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601 technology project that is subject to enterprise architecture
 602 standards.

603 (b) Participate in the development of specifications and
 604 recommend modifications to any planned procurement by state
 605 agencies so that the procurement complies with the enterprise
 606 architecture.

607 (5) The department, acting through the Florida Digital
 608 Service, may not retrieve or disclose any data without a shared-
 609 data agreement in place between the department and the
 610 enterprise entity that has primary custodial responsibility of,
 611 or data-sharing responsibility for, that data.

612 (6) The department, acting through the Florida Digital
 613 Service, shall adopt rules to administer this section.

614 ~~(19) Adopt rules to administer this section.~~

615 Section 5. Section 282.00515, Florida Statutes, is amended
 616 to read:

617 282.00515 Duties of Cabinet agencies.—

618 (1) The Department of Legal Affairs, the Department of
 619 Financial Services, and the Department of Agriculture and
 620 Consumer Services shall adopt the standards established in s.
 621 282.0051(1)(b), (c), and (s) and (3)(e) s. 282.0051(2), (3), and
 622 ~~(7)~~ or adopt alternative standards based on best practices and
 623 industry standards that allow for open data interoperability.

624 (2) If the Department of Legal Affairs, the Department of
 625 Financial Services, or the Department of Agriculture and

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626 Consumer Services adopts alternative standards in lieu of the
 627 enterprise architecture standards adopted pursuant to s.
 628 282.0051, such department must notify the Governor, the
 629 President of the Senate, and the Speaker of the House of
 630 Representatives in writing of the adoption of the alternative
 631 standards and provide a justification for adoption of the
 632 alternative standards and explain how the agency will achieve
 633 open data interoperability.

634 (3) The Department of Legal Affairs, the Department of
 635 Financial Services, and the Department of Agriculture and
 636 Consumer Services,~~and~~ may contract with the department to
 637 provide or perform any of the services and functions described
 638 in s. 282.0051 ~~for the Department of Legal Affairs, the~~
 639 ~~Department of Financial Services, or the Department of~~
 640 ~~Agriculture and Consumer Services.~~

641 (4) (a) Nothing in this section or in s. 282.0051 requires
 642 the Department of Legal Affairs, the Department of Financial
 643 Services, or the Department of Agriculture and Consumer Services
 644 to integrate with information technology outside its own
 645 department or with the Florida Digital Service.

646 (b) The department, acting through the Florida Digital
 647 Service, may not retrieve or disclose any data without a shared-
 648 data agreement in place between the department and the
 649 Department of Legal Affairs, the Department of Financial
 650 Services, or the Department of Agriculture and Consumer

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651 Services.

652 Section 6. Paragraph (a) of subsection (3), paragraphs
653 (d), (e), (g), and (j) of subsection (4), and subsection (5) of
654 section 282.318, Florida Statutes, are amended to read:

655 282.318 Security of data and information technology.—

656 (3) The department is responsible for establishing
657 standards and processes consistent with generally accepted best
658 practices for information technology security, to include
659 cybersecurity, and adopting rules that safeguard an agency's
660 data, information, and information technology resources to
661 ensure availability, confidentiality, and integrity and to
662 mitigate risks. The department shall also:

663 (a) Designate an employee of the Florida Digital Service
664 as the a state chief information security officer. The state
665 chief information security officer ~~who~~ must have experience and
666 expertise in security and risk management for communications and
667 information technology resources.

668 (4) Each state agency head shall, at a minimum:

669 (d) Conduct, and update every 3 years, a comprehensive
670 risk assessment, which may be completed by a private sector
671 vendor, to determine the security threats to the data,
672 information, and information technology resources, including
673 mobile devices and print environments, of the agency. The risk
674 assessment must comply with the risk assessment methodology
675 developed by the department and is confidential and exempt from

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676 s. 119.07(1), except that such information shall be available to
677 the Auditor General, the Florida Digital Service ~~Division of~~
678 ~~State Technology~~ within the department, the Cybercrime Office of
679 the Department of Law Enforcement, and, for state agencies under
680 the jurisdiction of the Governor, the Chief Inspector General.

681 (e) Develop, and periodically update, written internal
682 policies and procedures, which include procedures for reporting
683 information technology security incidents and breaches to the
684 Cybercrime Office of the Department of Law Enforcement and the
685 Florida Digital Service ~~Division of State Technology~~ within the
686 department. Such policies and procedures must be consistent with
687 the rules, guidelines, and processes established by the
688 department to ensure the security of the data, information, and
689 information technology resources of the agency. The internal
690 policies and procedures that, if disclosed, could facilitate the
691 unauthorized modification, disclosure, or destruction of data or
692 information technology resources are confidential information
693 and exempt from s. 119.07(1), except that such information shall
694 be available to the Auditor General, the Cybercrime Office of
695 the Department of Law Enforcement, the Florida Digital Service
696 ~~Division of State Technology~~ within the department, and, for
697 state agencies under the jurisdiction of the Governor, the Chief
698 Inspector General.

699 (g) Ensure that periodic internal audits and evaluations
700 of the agency's information technology security program for the

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701 data, information, and information technology resources of the
 702 agency are conducted. The results of such audits and evaluations
 703 are confidential information and exempt from s. 119.07(1),
 704 except that such information shall be available to the Auditor
 705 General, the Cybercrime Office of the Department of Law
 706 Enforcement, the Florida Digital Service ~~Division of State~~
 707 ~~Technology~~ within the department, and, for agencies under the
 708 jurisdiction of the Governor, the Chief Inspector General.

709 (j) Develop a process for detecting, reporting, and
 710 responding to threats, breaches, or information technology
 711 security incidents which is consistent with the security rules,
 712 guidelines, and processes established by the department ~~Agency~~
 713 ~~for State Technology~~.

714 1. All information technology security incidents and
 715 breaches must be reported to the Florida Digital Service
 716 ~~Division of State Technology~~ within the department and the
 717 Cybercrime Office of the Department of Law Enforcement and must
 718 comply with the notification procedures and reporting timeframes
 719 established pursuant to paragraph (3)(c).

720 2. For information technology security breaches, state
 721 agencies shall provide notice in accordance with s. 501.171.

722 3. Records held by a state agency which identify
 723 detection, investigation, or response practices for suspected or
 724 confirmed information technology security incidents, including
 725 suspected or confirmed breaches, are confidential and exempt

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726 | from s. 119.07(1) and s. 24(a), Art. I of the State
 727 | Constitution, if the disclosure of such records would facilitate
 728 | unauthorized access to or the unauthorized modification,
 729 | disclosure, or destruction of:

730 | a. Data or information, whether physical or virtual; or

731 | b. Information technology resources, which includes:

732 | (I) Information relating to the security of the agency's
 733 | technologies, processes, and practices designed to protect
 734 | networks, computers, data processing software, and data from
 735 | attack, damage, or unauthorized access; or

736 | (II) Security information, whether physical or virtual,
 737 | which relates to the agency's existing or proposed information
 738 | technology systems.

739 |
 740 | Such records shall be available to the Auditor General, the
 741 | Florida Digital Service ~~Division of State Technology~~ within the
 742 | department, the Cybercrime Office of the Department of Law
 743 | Enforcement, and, for state agencies under the jurisdiction of
 744 | the Governor, the Chief Inspector General. Such records may be
 745 | made available to a local government, another state agency, or a
 746 | federal agency for information technology security purposes or
 747 | in furtherance of the state agency's official duties. This
 748 | exemption applies to such records held by a state agency before,
 749 | on, or after the effective date of this exemption. This
 750 | subparagraph is subject to the Open Government Sunset Review Act

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751 in accordance with s. 119.15 and shall stand repealed on October
752 2, 2021, unless reviewed and saved from repeal through
753 reenactment by the Legislature.

754 (5) The portions of risk assessments, evaluations,
755 external audits, and other reports of a state agency's
756 information technology security program for the data,
757 information, and information technology resources of the state
758 agency which are held by a state agency are confidential and
759 exempt from s. 119.07(1) and s. 24(a), Art. I of the State
760 Constitution if the disclosure of such portions of records would
761 facilitate unauthorized access to or the unauthorized
762 modification, disclosure, or destruction of:

763 (a) Data or information, whether physical or virtual; or

764 (b) Information technology resources, which include:

765 1. Information relating to the security of the agency's
766 technologies, processes, and practices designed to protect
767 networks, computers, data processing software, and data from
768 attack, damage, or unauthorized access; or

769 2. Security information, whether physical or virtual,
770 which relates to the agency's existing or proposed information
771 technology systems.

772

773 Such portions of records shall be available to the Auditor
774 General, the Cybercrime Office of the Department of Law
775 Enforcement, the Florida Digital Service ~~Division of State~~

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776 ~~Technology~~ within the department, and, for agencies under the
 777 jurisdiction of the Governor, the Chief Inspector General. Such
 778 portions of records may be made available to a local government,
 779 another state agency, or a federal agency for information
 780 technology security purposes or in furtherance of the state
 781 agency's official duties. For purposes of this subsection,
 782 "external audit" means an audit that is conducted by an entity
 783 other than the state agency that is the subject of the audit.
 784 This exemption applies to such records held by a state agency
 785 before, on, or after the effective date of this exemption. This
 786 subsection is subject to the Open Government Sunset Review Act
 787 in accordance with s. 119.15 and shall stand repealed on October
 788 2, 2021, unless reviewed and saved from repeal through
 789 reenactment by the Legislature.

790 Section 7. Subsection (4) of section 287.0591, Florida
 791 Statutes, is amended to read:

792 287.0591 Information technology.—

793 (4) If the department issues a competitive solicitation
 794 for information technology commodities, consultant services, or
 795 staff augmentation contractual services, the Florida Digital
 796 Service Division of State Technology within the department shall
 797 participate in such solicitations.

798 Section 8. Paragraph (a) of subsection (3) of section
 799 365.171, Florida Statutes, is amended to read:

800 365.171 Emergency communications number E911 state plan.—

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801 (3) DEFINITIONS.—As used in this section, the term:
 802 (a) "Office" means the Division of Telecommunications
 803 ~~State Technology~~ within the Department of Management Services,
 804 as designated by the secretary of the department.

805 Section 9. Paragraph (s) of subsection (3) of section
 806 365.172, Florida Statutes, is amended to read:

807 365.172 Emergency communications number "E911."—

808 (3) DEFINITIONS.—Only as used in this section and ss.
 809 365.171, 365.173, 365.174, and 365.177, the term:

810 (s) "Office" means the Division of Telecommunications
 811 ~~State Technology~~ within the Department of Management Services,
 812 as designated by the secretary of the department.

813 Section 10. Paragraph (a) of subsection (1) of section
 814 365.173, Florida Statutes, is amended to read:

815 365.173 Communications Number E911 System Fund.—

816 (1) REVENUES.—

817 (a) Revenues derived from the fee levied on subscribers
 818 under s. 365.172(8) must be paid by the board into the State
 819 Treasury on or before the 15th day of each month. Such moneys
 820 must be accounted for in a special fund to be designated as the
 821 Emergency Communications Number E911 System Fund, a fund created
 822 in the Division of Telecommunications ~~State Technology~~, or other
 823 office as designated by the Secretary of Management Services.

824 Section 11. Subsection (5) of section 943.0415, Florida
 825 Statutes, is amended to read:

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826 943.0415 Cybercrime Office.—There is created within the
 827 Department of Law Enforcement the Cybercrime Office. The office
 828 may:

829 (5) Consult with the Florida Digital Service ~~Division of~~
 830 ~~State Technology~~ within the Department of Management Services in
 831 the adoption of rules relating to the information technology
 832 security provisions in s. 282.318.

833 Section 12. Effective January 1, 2021, section 559.952,
 834 Florida Statutes, is created to read:

835 559.952 Financial Technology Sandbox.—

836 (1) SHORT TITLE.—This section may be cited as the
 837 "Financial Technology Sandbox."

838 (2) CREATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—There is
 839 created the Financial Technology Sandbox within the Office of
 840 Financial Regulation to allow financial technology innovators to
 841 test new products and services in a supervised, flexible
 842 regulatory sandbox using exceptions to specified general law and
 843 waivers of the corresponding rule requirements under defined
 844 conditions. The creation of a supervised, flexible regulatory
 845 sandbox provides a welcoming business environment for technology
 846 innovators and may lead to significant business growth.

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

848 (a) "Business entity" means a domestic corporation or
 849 other organized domestic entity with a physical presence, other
 850 than that of a registered office or agent or virtual mailbox, in

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851 this state.

852 (b) "Commission" means the Financial Services Commission.

853 (c) "Consumer" means a person in this state, whether a
 854 natural person or a business organization, who purchases, uses,
 855 receives, or enters into an agreement to purchase, use, or
 856 receive an innovative financial product or service made
 857 available through the Financial Technology Sandbox.

858 (d) "Control person" means an individual, a partnership, a
 859 corporation, a trust, or other organization that possesses the
 860 power, directly or indirectly, to direct the management or
 861 policies of a company, whether through ownership of securities,
 862 by contract, or through other means. A person is presumed to
 863 control a company if, with respect to a particular company, that
 864 person:

865 1. Is a director, a general partner, or an officer
 866 exercising executive responsibility or having similar status or
 867 functions;

868 2. Directly or indirectly may vote 10 percent or more of a
 869 class of a voting security or sell or direct the sale of 10
 870 percent or more of a class of voting securities; or

871 3. In the case of a partnership, may receive upon
 872 dissolution or has contributed 10 percent or more of the
 873 capital.

874 (e) "Corresponding rule requirements" means the commission
 875 rules, or portions thereof, which implement the general laws

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876 enumerated in paragraph (4) (a).

877 (f) "Financial product or service" means a product or
878 service related to a consumer finance loan, as defined in s.
879 516.01, or a money transmitter or payment instrument seller, as
880 those terms are defined in s. 560.103, including mediums of
881 exchange that are in electronic or digital form, which is
882 subject to the general laws enumerated in paragraph (4) (a) and
883 corresponding rule requirements and which is under the
884 jurisdiction of the office.

885 (g) "Financial Technology Sandbox" means the program
886 created by this section which allows a licensee to make an
887 innovative financial product or service available to consumers
888 during a sandbox period through exceptions to general laws and
889 waivers of corresponding rule requirements.

890 (h) "Innovative" means new or emerging technology, or new
891 uses of existing technology, which provide a product, service,
892 business model, or delivery mechanism to the public and which
893 are not known to have a comparable offering in this state
894 outside the Financial Technology Sandbox.

895 (i) "Licensee" means a business entity that has been
896 approved by the office to participate in the Financial
897 Technology Sandbox.

898 (j) "Office" means, unless the context clearly indicates
899 otherwise, the Office of Financial Regulation.

900 (k) "Sandbox period" means the initial 24-month period in

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901 which the office has authorized a licensee to make an innovative
 902 financial product or service available to consumers, and any
 903 extension granted pursuant to subsection (7).

904 (4) EXCEPTIONS TO GENERAL LAW AND WAIVERS OF RULE
 905 REQUIREMENTS.—

906 (a) Notwithstanding any other law, upon approval of a
 907 Financial Technology Sandbox application, the following
 908 provisions and corresponding rule requirements are not
 909 applicable to the licensee during the sandbox period:

910 1. Section 516.03(1), except for the application fee, the
 911 investigation fee, the requirement to provide the social
 912 security numbers of control persons, evidence of liquid assets
 913 of at least \$25,000, and the office's authority to investigate
 914 the applicant's background. The office may prorate the license
 915 renewal fee for an extension granted under subsection (7).

916 2. Section 516.05(1) and (2), except that the office shall
 917 investigate the applicant's background.

918 3. Section 560.109, only to the extent that the section
 919 requires the office to examine a licensee at least once every 5
 920 years.

921 4. Section 560.118(2).

922 5. Section 560.125(1), only to the extent that subsection
 923 would prohibit a licensee from engaging in the business of a
 924 money transmitter or payment instrument seller during the
 925 sandbox period.

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926 6. Section 560.125(2), only to the extent that subsection
 927 would prohibit a licensee from appointing an authorized vendor
 928 during the sandbox period. Any authorized vendor of such a
 929 licensee during the sandbox period remains liable to the holder
 930 or remitter.

931 7. Section 560.128.

932 8. Section 560.141, except for s. 560.141(1)(a)1., 3., 7.-
 933 10. and (b), (c), and (d).

934 9. Section 560.142(1) and (2), except that the office may
 935 prorate, but may not entirely eliminate, the license renewal
 936 fees in s. 560.143 for an extension granted under subsection
 937 (7).

938 10. Section 560.143(2), only to the extent necessary for
 939 proration of the renewal fee under subparagraph 9.

940 11. Section 560.204(1), only to the extent that subsection
 941 would prohibit a licensee from engaging in, or advertising that
 942 it engages in, the selling or issuing of payment instruments or
 943 in the activity of a money transmitter during the sandbox
 944 period.

945 12. Section 560.205(2).

946 13. Section 560.208(2).

947 14. Section 560.209, only to the extent that the office
 948 may modify, but may not entirely eliminate, the net worth,
 949 corporate surety bond, and collateral deposit amounts required
 950 under that section. The modified amounts must be in such lower

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951 amounts that the office determines to be commensurate with the
952 factors under paragraph (5) (c) and the maximum number of
953 consumers authorized to receive the financial product or service
954 under this section.

955 (b) The office may approve a Financial Technology Sandbox
956 application if one or more of the general laws enumerated in
957 paragraph (a) currently prevent the innovative financial product
958 or service from being made available to consumers and if all
959 other requirements of this section are met.

960 (c) A licensee may conduct business through electronic
961 means, including through the Internet or a software application.

962 (5) FINANCIAL TECHNOLOGY SANDBOX APPLICATION; STANDARDS
963 FOR APPROVAL.—

964 (a) Before filing an application for licensure under this
965 section, a substantially affected person may seek a declaratory
966 statement pursuant to s. 120.565 regarding the applicability of
967 a statute, a rule, or an agency order to the petitioner's
968 particular set of circumstances or a variance or waiver of a
969 rule pursuant to s. 120.542.

970 (b) Before making an innovative financial product or
971 service available to consumers in the Financial Technology
972 Sandbox, a business entity must file with the office an
973 application for licensure under the Financial Technology
974 Sandbox. The commission shall, by rule, prescribe the form and
975 manner of the application and how the office will evaluate and

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976 apply each of the factors specified in paragraph (c).

977 1. The application must specify each general law
 978 enumerated in paragraph (4) (a) which currently prevents the
 979 innovative financial product or service from being made
 980 available to consumers and the reasons why those provisions of
 981 general law prevent the innovative financial product or service
 982 from being made available to consumers.

983 2. The application must contain sufficient information for
 984 the office to evaluate the factors specified in paragraph (c).

985 3. An application submitted on behalf of a business entity
 986 must include evidence that the business entity has authorized
 987 the person to submit the application on behalf of the business
 988 entity intending to make an innovative financial product or
 989 service available to consumers.

990 4. The application must specify the maximum number of
 991 consumers, which may not exceed the number of consumers
 992 specified in paragraph (f), to whom the applicant proposes to
 993 provide the innovative financial product or service.

994 5. The application must include a proposed draft of the
 995 statement or statements meeting the requirements of paragraph
 996 (6) (b) which the applicant proposes to provide to consumers.

997 (c) The office shall approve or deny in writing a
 998 Financial Technology Sandbox application within 60 days after
 999 receiving the completed application. The office and the
 1000 applicant may jointly agree to extend the time beyond 60 days.

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1001 Consistent with this section, the office may impose conditions
1002 on any approval. In deciding whether to approve or deny an
1003 application for licensure, the office must consider each of the
1004 following:

1005 1. The nature of the innovative financial product or
1006 service proposed to be made available to consumers in the
1007 Financial Technology Sandbox, including all relevant technical
1008 details.

1009 2. The potential risk to consumers and the methods that
1010 will be used to protect consumers and resolve complaints during
1011 the sandbox period.

1012 3. The business plan proposed by the applicant, including
1013 company information, market analysis, and financial projections
1014 or pro forma financial statements, and evidence of the financial
1015 viability of the applicant.

1016 4. Whether the applicant has the necessary personnel,
1017 adequate financial and technical expertise, and a sufficient
1018 plan to test, monitor, and assess the innovative financial
1019 product or service.

1020 5. Whether any control person of the applicant, regardless
1021 of adjudication, has pled no contest to, has been convicted or
1022 found guilty of, or is currently under investigation for fraud,
1023 a state or federal securities violation, a property-based
1024 offense, or a crime involving moral turpitude or dishonest
1025 dealing, in which case the application to the Financial

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1026 Technology Sandbox must be denied.

1027 6. A copy of the disclosures that will be provided to
 1028 consumers under paragraph (6) (b).

1029 7. The financial responsibility of the applicant and any
 1030 control person, including whether the applicant or any control
 1031 person has a history of unpaid liens, unpaid judgments, or other
 1032 general history of nonpayment of legal debts, including, but not
 1033 limited to, having been the subject of a petition for bankruptcy
 1034 under the United States Bankruptcy Code within the past 7
 1035 calendar years.

1036 8. Any other factor that the office determines to be
 1037 relevant.

1038 (d) The office may not approve an application if:

1039 1. The applicant had a prior Financial Technology Sandbox
 1040 application that was approved and that related to a
 1041 substantially similar financial product or service;

1042 2. Any control person of the applicant was substantially
 1043 involved in the development, operation, or management with
 1044 another Financial Technology Sandbox applicant whose application
 1045 was approved and whose application related to a substantially
 1046 similar financial product or service; or

1047 3. The applicant or any control person has failed to
 1048 affirmatively demonstrate financial responsibility.

1049 (e) Upon approval of an application, the office shall
 1050 notify the licensee that the licensee is exempt from the

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1051 provisions of general law enumerated in paragraph (4) (a) and the
 1052 corresponding rule requirements during the sandbox period. The
 1053 office shall post on its website notice of the approval of the
 1054 application, a summary of the innovative financial product or
 1055 service, and the contact information of the licensee.

1056 (f) The office, on a case-by-case basis, shall specify the
 1057 maximum number of consumers authorized to receive an innovative
 1058 financial product or service, after consultation with the
 1059 Financial Technology Sandbox applicant. The office may not
 1060 authorize more than 15,000 consumers to receive the financial
 1061 product or service until the licensee has filed the first report
 1062 required under subsection (8). After the filing of that report,
 1063 if the licensee demonstrates adequate financial capitalization,
 1064 risk management processes, and management oversight, the office
 1065 may authorize up to 25,000 consumers to receive the financial
 1066 product or service.

1067 (g) A licensee has a continuing obligation to promptly
 1068 inform the office of any material change to the information
 1069 provided under paragraph (b).

1070 (6) OPERATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—

1071 (a) A licensee may make an innovative financial product or
 1072 service available to consumers during the sandbox period.

1073 (b)1. Before a consumer purchases, uses, receives, or
 1074 enters into an agreement to purchase, use, or receive an
 1075 innovative financial product or service through the Financial

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1076 Technology Sandbox, the licensee must provide a written
 1077 statement of all of the following to the consumer:
 1078 a. The name and contact information of the licensee.
 1079 b. That the financial product or service has been
 1080 authorized to be made available to consumers for a temporary
 1081 period by the office, under the laws of this state.
 1082 c. That the state does not endorse the financial product
 1083 or service.
 1084 d. That the financial product or service is undergoing
 1085 testing, may not function as intended, and may entail financial
 1086 risk.
 1087 e. That the licensee is not immune from civil liability
 1088 for any losses or damages caused by the financial product or
 1089 service.
 1090 f. The expected end date of the sandbox period.
 1091 g. The contact information for the office and notification
 1092 that suspected legal violations, complaints, or other comments
 1093 related to the financial product or service may be submitted to
 1094 the office.
 1095 h. Any other statements or disclosures required by rule of
 1096 the commission which are necessary to further the purposes of
 1097 this section.
 1098 2. The written statement under subparagraph 1. must
 1099 contain an acknowledgment from the consumer, which must be
 1100 retained for the duration of the sandbox period by the licensee.

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1101 (c) The office may enter into an agreement with a state,
1102 federal, or foreign regulatory agency to allow licensees under
1103 the Financial Technology Sandbox to make their products or
1104 services available in other jurisdictions. The commission shall
1105 adopt rules to implement this paragraph.

1106 (d) The office may examine the records of a licensee at
1107 any time, with or without prior notice.

1108 (7) EXTENSION AND CONCLUSION OF SANDBOX PERIOD.—

1109 (a) A licensee may apply for one extension of the initial
1110 24-month sandbox period for 12 additional months for a purpose
1111 specified in subparagraph (b)1. or subparagraph (b)2. A complete
1112 application for an extension must be filed with the office at
1113 least 90 days before the conclusion of the initial sandbox
1114 period. The office shall approve or deny the application for
1115 extension in writing at least 35 days before the conclusion of
1116 the initial sandbox period. In determining whether to approve or
1117 deny an application for extension of the sandbox period, the
1118 office must, at a minimum, consider the current status of the
1119 factors previously considered under paragraph (5)(c).

1120 (b) An application for an extension under paragraph (a)
1121 must cite one of the following reasons as the basis for the
1122 application and must provide all relevant supporting
1123 information:

1124 1. Amendments to general law or rules are necessary to
1125 offer the innovative financial product or service in this state

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1126 permanently.

1127 2. An application for a license that is required in order
1128 to offer the innovative financial product or service in this
1129 state permanently has been filed with the office and approval is
1130 pending.

1131 (c) At least 30 days before the conclusion of the initial
1132 24-month sandbox period or the extension, whichever is later, a
1133 licensee shall provide written notification to consumers
1134 regarding the conclusion of the initial sandbox period or the
1135 extension and may not make the financial product or service
1136 available to any new consumers after the conclusion of the
1137 initial sandbox period or the extension, whichever is later,
1138 until legal authority outside of the Financial Technology
1139 Sandbox exists for the licensee to make the financial product or
1140 service available to consumers. After the conclusion of the
1141 sandbox period or the extension, whichever is later, the
1142 business entity formerly licensed under the Financial Technology
1143 Sandbox may:

1144 1. Collect and receive money owed to the business entity
1145 or pay money owed by the business entity, based on agreements
1146 with consumers made before the conclusion of the sandbox period
1147 or the extension.

1148 2. Take necessary legal action.

1149 3. Take other actions authorized by commission rule which
1150 are not inconsistent with this section.

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1151 (8) REPORT.—A licensee shall submit a report to the office
 1152 twice a year as prescribed by commission rule. The report must,
 1153 at a minimum, include financial reports and the number of
 1154 consumers who have received the financial product or service.

1155 (9) CONSTRUCTION.—A business entity whose Financial
 1156 Technology Sandbox application is approved under this section:

1157 (a) Is licensed under chapter 516, chapter 560, or both
 1158 chapters 516 and 560, as applicable to the business entity's
 1159 activities.

1160 (b) Is subject to any provision of chapter 516 or chapter
 1161 560 not specifically excepted under paragraph (4) (a), as
 1162 applicable to the business entity's activities, and must comply
 1163 with such provisions.

1164 (c) May not engage in activities authorized under part III
 1165 of chapter 560, notwithstanding s. 560.204(2).

1166 (10) VIOLATIONS AND PENALTIES.—

1167 (a) A licensee who makes an innovative financial product
 1168 or service available to consumers in the Financial Technology
 1169 Sandbox remains subject to:

1170 1. Civil damages for acts and omissions arising from or
 1171 related to any innovative financial product or services provided
 1172 or made available by the licensee or relating to this section.

1173 2. All criminal and consumer protection laws and any other
 1174 statute not specifically excepted under paragraph (4) (a).

1175 (b)1. The office may, by order, revoke or suspend a

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1176 licensee's approval to participate in the Financial Technology
1177 Sandbox if:

1178 a. The licensee has violated or refused to comply with
1179 this section, any statute not specifically excepted under
1180 paragraph (4) (a), a rule of the commission that has not been
1181 waived, an order of the office, or a condition placed by the
1182 office on the approval of the licensee's Financial Technology
1183 Sandbox application;

1184 b. A fact or condition exists that, if it had existed or
1185 become known at the time that the Financial Technology Sandbox
1186 application was pending, would have warranted denial of the
1187 application or the imposition of material conditions;

1188 c. A material error, false statement, misrepresentation,
1189 or material omission was made in the Financial Technology
1190 Sandbox application; or

1191 d. After consultation with the licensee, the office
1192 determines that continued testing of the innovative financial
1193 product or service would:

1194 (I) Be likely to harm consumers; or

1195 (II) No longer serve the purposes of this section because
1196 of the financial or operational failure of the financial product
1197 or service.

1198 2. Written notice of a revocation or suspension order made
1199 under subparagraph 1. must be served using any means authorized
1200 by law. If the notice relates to a suspension, the notice must

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1201 include any condition or remedial action that the licensee must
 1202 complete before the office lifts the suspension.

1203 (c) The office may refer any suspected violation of law to
 1204 an appropriate state or federal agency for investigation,
 1205 prosecution, civil penalties, and other appropriate enforcement
 1206 action.

1207 (d) If service of process on a licensee is not feasible,
 1208 service on the office is deemed service on the licensee.

1209 (11) RULES AND ORDERS.—

1210 (a) The commission shall adopt rules to administer this
 1211 section before approving any application under this section.

1212 (b) The office may issue all necessary orders to enforce
 1213 this section and may enforce these orders in accordance with
 1214 chapter 120 or in any court of competent jurisdiction. These
 1215 orders include, but are not limited to, orders for payment of
 1216 restitution for harm suffered by consumers as a result of an
 1217 innovative financial product or service.

1218 Section 13. For the 2020-2021 fiscal year, the sum of
 1219 \$50,000 in nonrecurring funds is appropriated from the
 1220 Administrative Trust Fund to the Office of Financial Regulation
 1221 to implement s. 559.952, Florida Statutes, as created by this
 1222 act.

1223 Section 14. The creation of s. 559.952, Florida Statutes,
 1224 and the appropriation to implement s. 559.952, Florida Statutes,
 1225 by this act shall take effect only if CS/CS/HB 1393 or similar

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1226 | legislation takes effect and if such legislation is adopted in
1227 | the same legislative session or an extension thereof and becomes
1228 | a law.

1229 | Section 15. Except as otherwise expressly provided in this
1230 | act, this act shall take effect July 1, 2020.