

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; amending s. 282.00515, F.S.;
19 establishing the Enterprise Architecture Advisory
20 Council; requiring the council to comply with
21 specified requirements; providing membership and
22 meeting requirements and duties of the council;
23 amending ss. 282.318, 287.0591, 365.171, 365.172,
24 365.173, and 943.0415, F.S.; conforming provisions to
25 changes made by the act; creating s. 560.214, F.S.;

26 providing a short title; creating the Financial
27 Technology Sandbox; providing definitions; providing
28 certain waivers of requirements to specified persons
29 under certain circumstances; requiring an application
30 for the program for persons who want to make
31 innovative financial products or services available to
32 consumers; providing application requirements;
33 providing standards for application approval or
34 refusal; requiring the Office of Financial Regulation
35 to perform certain actions upon approval of an
36 application; providing operation of the sandbox;
37 providing limitations on the number of consumers of
38 innovative financial products or services; authorizing
39 the office to enter into agreement with certain
40 regulatory agencies for specified purposes; providing
41 extension and conclusion of the sandbox period;
42 requiring persons who make innovative financial
43 products or services available to consumers to submit
44 a report; providing construction; providing that such
45 persons are not immune from civil damages and are
46 subject to criminal and consumer protection laws;
47 providing penalties; providing service of process;
48 requiring the Financial Services Commission to adopt
49 rules; authorizing the office to issue certain orders
50 and to enforce them under ch. 120, F.S., or in court;

51 authorizing the office to issue and enforce orders for
 52 payment of restitution for a specified purpose;
 53 providing an effective date.
 54

55 Be It Enacted by the Legislature of the State of Florida:
 56

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

59 20.22 Department of Management Services.—There is created
 60 a Department of Management Services.

61 (2) ~~The following divisions and programs within the~~
 62 Department of Management Services shall consist of the following
 63 ~~are established:~~

64 (a) The Facilities Program.

65 (b) The Division of Telecommunications ~~State Technology,~~
 66 ~~the director of which is appointed by the secretary of the~~
 67 ~~department and shall serve as the state chief information~~
 68 ~~officer. The state chief information officer must be a proven,~~
 69 ~~effective administrator who must have at least 10 years of~~
 70 ~~executive level experience in the public or private sector,~~
 71 ~~preferably with experience in the development of information~~
 72 ~~technology strategic planning and the development and~~
 73 ~~implementation of fiscal and substantive information technology~~
 74 ~~policy and standards.~~

75 (c) The Workforce Program.

- 76 (d)1. The Support Program.
- 77 2. The Federal Property Assistance Program.
- 78 (e) The Administration Program.
- 79 (f) The Division of Administrative Hearings.
- 80 (g) The Division of Retirement.
- 81 (h) The Division of State Group Insurance.
- 82 (i) The Florida Digital Service.

83 Section 2. Section 282.0051, Florida Statutes, is amended
 84 to read:

85 282.0051 Florida Digital Service ~~Department of Management~~
 86 ~~Services~~; powers, duties, and functions.—There is established
 87 the Florida Digital Service within the department to create
 88 innovative solutions that securely modernize state government
 89 and achieve value through digital transformation and
 90 interoperability.

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

92 (a) "Credential service provider" means a provider
 93 competitively procured by the department to supply secure
 94 identity management and verification services based on open
 95 standards to qualified entities.

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

99 (c) "Electronic" means technology having electrical,
 100 digital, magnetic, wireless, optical, electromagnetic, or

101 similar capabilities.

102 (d) "Electronic credential" means an electronic
103 representation of a physical driver license or identification
104 card that is viewable in an electronic format and is capable of
105 being verified and authenticated.

106 (e) "Electronic credential provider" means a qualified
107 entity contracted with the department to provide electronic
108 credentials to eligible driver license or identification card
109 holders.

110 (f) "Enterprise" means the collection of state agencies as
111 defined in s. 282.0041, except the term includes the Department
112 of Legal Affairs, the Department of Agriculture and Consumer
113 Services, the Department of Financial Services, and the judicial
114 branch.

115 (g) "Enterprise architecture" means a comprehensive
116 operational framework that contemplates the needs and assets of
117 the enterprise to support interoperability across state
118 government.

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

121 (i) "Qualified entity" means a public or private entity or
122 individual that enters into a binding agreement with the
123 department, meets usage criteria, agrees to terms and
124 conditions, and is subsequently and prescriptively authorized by
125 the department to access data under the terms of that agreement.

126 (2) The Florida Digital Service department shall have the
 127 following powers, duties, and functions in full support of the
 128 cloud-first policy as defined in s. 282.206:

129 (a)~~(1)~~ Develop and publish information technology policy
 130 for the management of the state's information technology
 131 resources.

132 (b)~~(2)~~ Establish and publish information technology
 133 architecture standards to provide for the most efficient use of
 134 ~~the state's~~ information technology resources and to ensure
 135 compatibility and alignment with the needs of state agencies.
 136 The Florida Digital Service department shall assist state
 137 agencies in complying with the standards.

138 (c)~~(3)~~ Establish project management and oversight
 139 standards with which state agencies must comply when
 140 implementing projects that have an information technology
 141 component ~~projects~~. The Florida Digital Service department shall
 142 provide training opportunities to state agencies to assist in
 143 the adoption of the project management and oversight standards.
 144 To support data-driven decisionmaking, the standards must
 145 include, but are not limited to:

146 1.~~(a)~~ Performance measurements and metrics that
 147 objectively reflect the status of a project with an information
 148 technology component ~~project~~ based on a defined and documented
 149 project scope, cost, and schedule.

150 2.~~(b)~~ Methodologies for calculating acceptable variances

151 in the projected versus actual scope, schedule, or cost of a
152 project with an information technology component project.

153 3.(e) Reporting requirements, including requirements
154 designed to alert all defined stakeholders that a project with
155 an information technology component project has exceeded
156 acceptable variances defined and documented in a project plan.

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

158 (d)(4) Perform project oversight on all state agency
159 ~~information technology~~ projects that have an information
160 technology component with a total project cost costs of \$10
161 million or more and that are funded in the General
162 Appropriations Act or any other law. The Florida Digital Service
163 ~~department~~ shall report at least quarterly to the Executive
164 Office of the Governor, the President of the Senate, and the
165 Speaker of the House of Representatives on any project with an
166 information technology component project that the Florida
167 Digital Service ~~department~~ identifies as high-risk due to the
168 project exceeding acceptable variance ranges defined and
169 documented in a project plan. The report must include a risk
170 assessment, including fiscal risks, associated with proceeding
171 to the next stage of the project, and a recommendation for
172 corrective actions required, including suspension or termination
173 of the project.

174 (e)(5) Identify opportunities for standardization and
175 consolidation of information technology services that support

176 | interoperability and the cloud-first policy as defined in s.
177 | 282.206, business functions and operations, including
178 | administrative functions such as purchasing, accounting and
179 | reporting, cash management, and personnel, and that are common
180 | across state agencies. The Florida Digital Service ~~department~~
181 | shall biennially on April 1 provide recommendations for
182 | standardization and consolidation to the Executive Office of the
183 | Governor, the President of the Senate, and the Speaker of the
184 | House of Representatives.

185 | (f)~~(6)~~ Establish best practices for the procurement of
186 | information technology products and cloud-computing services in
187 | order to reduce costs, increase the quality of data center
188 | services, or improve government services.

189 | (g)~~(7)~~ Develop standards for information technology
190 | reports and updates, including, but not limited to, operational
191 | work plans, project spend plans, and project status reports, for
192 | use by state agencies.

193 | (h)~~(8)~~ Upon request, assist state agencies in the
194 | development of information technology-related legislative budget
195 | requests.

196 | (i)~~(9)~~ Conduct annual assessments of state agencies to
197 | determine compliance with all information technology standards
198 | and guidelines developed and published by the Florida Digital
199 | Service ~~department~~ and provide results of the assessments to the
200 | Executive Office of the Governor, the President of the Senate,

201 and the Speaker of the House of Representatives.

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

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

208 2.~~(b)~~ Developing and implementing cost-recovery or other
 209 payment mechanisms that recover the full direct and indirect
 210 cost of services through charges to applicable customer
 211 entities. Such cost-recovery or other payment mechanisms must
 212 comply with applicable state and federal regulations concerning
 213 distribution and use of funds and must ensure that, for any
 214 fiscal year, no service or customer entity subsidizes another
 215 service or customer entity.

216 3.~~(c)~~ Developing and implementing appropriate operating
 217 guidelines and procedures necessary for the state data center to
 218 perform its duties pursuant to s. 282.201. The guidelines and
 219 procedures must comply with applicable state and federal laws,
 220 regulations, and policies and conform to generally accepted
 221 governmental accounting and auditing standards. The guidelines
 222 and procedures must include, but need not be limited to:

223 a.~~1.~~ Implementing a consolidated administrative support
 224 structure responsible for providing financial management,
 225 procurement, transactions involving real or personal property,

226 human resources, and operational support.

227 ~~b.2.~~ Implementing an annual reconciliation process to
228 ensure that each customer entity is paying for the full direct
229 and indirect cost of each service as determined by the customer
230 entity's use of each service.

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

233 ~~d.4.~~ Requiring customer entities to validate that
234 sufficient funds exist in the appropriate data processing
235 appropriation category or will be transferred into the
236 appropriate data processing appropriation category before
237 implementation of a customer entity's request for a change in
238 the type or level of service provided, if such change results in
239 a net increase to the customer entity's cost for that fiscal
240 year.

241 ~~e.5.~~ By November 15 of each year, providing to the Office
242 of Policy and Budget in the Executive Office of the Governor and
243 to the chairs of the legislative appropriations committees the
244 projected costs of providing data center services for the
245 following fiscal year.

246 ~~f.6.~~ Providing a plan for consideration by the Legislative
247 Budget Commission if the cost of a service is increased for a
248 reason other than a customer entity's request made pursuant to
249 sub-subparagraph d. subparagraph 4. Such a plan is required only
250 if the service cost increase results in a net increase to a

251 customer entity for that fiscal year.

252 ~~g.7-~~ Standardizing and consolidating procurement and
253 contracting practices.

254 ~~4.(d)~~ In collaboration with the Department of Law
255 Enforcement, developing and implementing a process for
256 detecting, reporting, and responding to information technology
257 security incidents, breaches, and threats.

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

262 ~~(f) Conducting an annual market analysis to determine~~
263 ~~whether the state's approach to the provision of data center~~
264 ~~services is the most effective and cost-efficient manner by~~
265 ~~which its customer entities can acquire such services, based on~~
266 ~~federal, state, and local government trends; best practices in~~
267 ~~service provision; and the acquisition of new and emerging~~
268 ~~technologies. The results of the market analysis shall assist~~
269 ~~the state data center in making adjustments to its data center~~
270 ~~service offerings.~~

271 ~~(k)(11)~~ Recommend other information technology services
272 that should be designed, delivered, and managed as enterprise
273 information technology services. Recommendations must include
274 the identification of existing information technology resources
275 associated with the services, if existing services must be

276 transferred as a result of being delivered and managed as
277 enterprise information technology services.

278 (1)~~(12)~~ In consultation with state agencies, propose a
279 methodology and approach for identifying and collecting both
280 current and planned information technology expenditure data at
281 the state agency level.

282 (m) 1.~~(13) (a)~~ Notwithstanding any other law, provide
283 project oversight on any project with an information technology
284 component ~~project~~ of the Department of Financial Services, the
285 Department of Legal Affairs, and the Department of Agriculture
286 and Consumer Services which has a total project cost of \$25
287 million or more and which impacts one or more other agencies.
288 Such projects with an information technology ~~projects~~ component
289 must also comply with the applicable information technology
290 architecture, project management and oversight, and reporting
291 standards established by the Florida Digital Service ~~department~~.

292 2.~~(b)~~ When performing the project oversight function
293 specified in subparagraph 1. ~~paragraph (a)~~, report at least
294 quarterly to the Executive Office of the Governor, the President
295 of the Senate, and the Speaker of the House of Representatives
296 on any project with an information technology component ~~project~~
297 that the Florida Digital Service ~~department~~ identifies as high-
298 risk due to the project exceeding acceptable variance ranges
299 defined and documented in the project plan. The report shall
300 include a risk assessment, including fiscal risks, associated

301 with proceeding to the next stage of the project and a
302 recommendation for corrective actions required, including
303 suspension or termination of the project.

304 (n) ~~(14)~~ If a project with an information technology
305 component ~~project~~ implemented by a state agency must be
306 connected to or otherwise accommodated by an information
307 technology system administered by the Department of Financial
308 Services, the Department of Legal Affairs, or the Department of
309 Agriculture and Consumer Services, consult with these
310 departments regarding the risks and other effects of such
311 projects on their information technology systems and work
312 cooperatively with these departments regarding the connections,
313 interfaces, timing, or accommodations required to implement such
314 projects.

315 (o) ~~(15)~~ If adherence to standards or policies adopted by
316 or established pursuant to this section causes conflict with
317 federal regulations or requirements imposed on a state agency
318 and results in adverse action against the state agency or
319 federal funding, work with the state agency to provide
320 alternative standards, policies, or requirements that do not
321 conflict with the federal regulation or requirement. The Florida
322 Digital Service ~~department~~ shall annually report such
323 alternative standards to the Governor, the President of the
324 Senate, and the Speaker of the House of Representatives.

325 (p)1. ~~(16)~~ (a) Establish an information technology policy

326 for all information technology-related state contracts,
327 including state term contracts for information technology
328 commodities, consultant services, and staff augmentation
329 services. The information technology policy must include:
330 a.1. Identification of the information technology product
331 and service categories to be included in state term contracts.
332 b.2. Requirements to be included in solicitations for
333 state term contracts.
334 c.3. Evaluation criteria for the award of information
335 technology-related state term contracts.
336 d.4. The term of each information technology-related state
337 term contract.
338 e.5. The maximum number of vendors authorized on each
339 state term contract.
340 2.(b) Evaluate vendor responses for information
341 technology-related state term contract solicitations and
342 invitations to negotiate.
343 3.(e) Answer vendor questions on information technology-
344 related state term contract solicitations.
345 4.(d) Ensure that the information technology policy
346 established pursuant to subparagraph 1. paragraph (a) is
347 included in all solicitations and contracts that are
348 administratively executed by the department.
349 (g) (17) Recommend potential methods for standardizing data
350 across state agencies which will promote interoperability and

351 reduce the collection of duplicative data.

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

354 (3) (a) The Secretary of Management Services shall appoint
355 a state chief information officer who will administer the
356 Florida Digital Service, and is included in the Senior
357 Management Service. The state chief information officer must be
358 a proven, effective administrator who must have at least 10
359 years of executive-level experience in the public or private
360 sector, preferably with experience in the development of
361 information technology strategic planning and the development
362 and implementation of fiscal and substantive information
363 technology policy and standards.

364 (b) The state chief information officer shall appoint a
365 chief data officer, who shall report to the state chief
366 information officer and is included in the Senior Management
367 Service. The chief data officer must be a proven executive who
368 must have at least 10 years of executive-level experience,
369 preferably with experience in data management, interoperability,
370 and information technology security.

371 (4) The Florida Digital Service shall develop a
372 comprehensive enterprise architecture which:

373 (a) Recognizes the unique needs of those included within
374 the enterprise and results in the publication of standards,
375 terminologies, and procurement guidelines to facilitate digital

376 interoperability.

377 (b) Supports the cloud-first policy as defined in s.
378 282.206.

379 (c) Addresses how information technology infrastructure
380 may be modernized to achieve current and future cloud-first
381 objectives.

382 (5) The Florida Digital Service shall:

383 (a) Create and maintain a comprehensive indexed data
384 catalog that lists what data elements are housed within the
385 enterprise and in which legacy system or application these data
386 elements are located.

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

390 (c) Review and document use cases across the enterprise
391 architecture.

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

394 (e) Develop, publish, and manage an application
395 programming interface to facilitate integration throughout the
396 enterprise.

397 (f) Facilitate collaborative analysis of enterprise
398 architecture data to improve service delivery.

399 (g) Provide a testing environment in which any newly
400 developed solution can be tested for compliance within the

401 enterprise architecture and for functionality assurance before
402 deployment.

403 (h) Create the functionality necessary for a secure
404 ecosystem of data interoperability that is compliant with the
405 enterprise architecture and allows for a qualified entity to
406 access the stored data under the terms of the agreement with the
407 department.

408 (i)1. Procure a credential service provider through a
409 competitive process pursuant to s. 287.057. The terms of the
410 contract developed from such procurement shall pay for the value
411 on a per-data-call or subscription basis and there shall be no
412 cost to the department or law enforcement for using the services
413 provided by the credential service provider.

414 a. The department shall enter into agreements with
415 electronic credential providers that have the technological
416 capabilities necessary to integrate with the credential service
417 provider; ensure secure validation and authentication of data;
418 meet usage criteria; agree to terms and conditions, privacy
419 policies, and uniform remittance terms relating to the
420 consumption of an electronic credential; and include clear,
421 enforceable, and significant penalties for violations of the
422 agreements.

423 b. Revenue generated shall be collected by the department
424 and deposited into the working capital trust fund for
425 distribution pursuant to a legislative appropriation and

426 department agreements with the credential service provider, the
427 electronic credential providers, and the qualified entities. The
428 terms of the agreements between the department and the
429 credential service provider, the electronic credential
430 providers, and the qualified entities, shall be based on the
431 per-data-call or subscription charges to validate and
432 authenticate an electronic credential and allow the department
433 to recover any state costs for implementing and administering an
434 electronic credential solution. Provider revenues may not be
435 derived from any other transactions that generate revenue for
436 the department outside of the per-data-call or subscription
437 charges. Nothing herein shall be construed as a restriction on a
438 provider's ability to generate additional revenues from third
439 parties outside of the terms of the agreement.

440 2. Upon the signing of the enterprise architecture terms
441 of service and privacy policies, provide to qualified entities
442 and electronic credential providers appropriate access to the
443 stored data to facilitate authorized integrations to
444 collaboratively and less expensively or at no taxpayer cost,
445 solve enterprise use cases.

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

449 1. Digital licenses, including full identification
450 management.

451 2. Interoperability that enables supervisors of elections
 452 to authenticate voter eligibility in real time at the point of
 453 service.

454 3. The criminal justice database.

455 4. Motor vehicle insurance cancellation integration
 456 between insurers and the Department of Highway Safety and Motor
 457 Vehicles.

458 5. Interoperability solutions between agencies, including,
 459 but not limited to, the Department of Health, the Agency for
 460 Health Care Administration, the Agency for Persons with
 461 Disabilities, the Department of Education, the Department of
 462 Elderly Affairs, and the Department of Children and Families.

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

464 (a) Receive written notice from the state agencies within
 465 the enterprise of any planned or existing procurement of an
 466 information technology project which is subject to governance by
 467 the enterprise architecture.

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

470 (7) ~~(19)~~ The Florida Digital Service may adopt rules to
 471 administer this section.

472 Section 3. Section 282.00515 is amended to read:

473 282.00515 Enterprise Architecture Advisory Council ~~Duties~~
 474 ~~of Cabinet Agencies. The Department of Legal Affairs, the~~
 475 ~~Department of Financial Services, and the Department of~~

476 ~~Agriculture and Consumer Services shall adopt the standards~~
477 ~~established in s. 282.0051(2), (3), and (7) or adopt alternative~~
478 ~~standards based on best practices and industry standards, and~~
479 ~~may contract with the department to provide or perform any of~~
480 ~~the services and functions described in s. 282.0051 for the~~
481 ~~Department of Legal Affairs, the Department of Financial~~
482 ~~Services, or the Department of Agriculture and Consumer~~
483 ~~Services.~~

484 (1) (a) The Enterprise Architecture Advisory Council, an
485 advisory council as defined in s. 20.03, is established within
486 the Department of Management Services. The council shall comply
487 with the requirements of s. 20.052, except as otherwise provided
488 in this section.

489 (b) The council shall consist of:

490 1. The Governor or his or her designee.

491 2. Three additional designees of the Governor.

492 3. The Director of the Office of Policy and Budget in the
493 Executive Office of the Governor or his or her designee.

494 4. The Secretary of Management Services or his or her
495 designee.

496 5. The State Chief Information Officer or his or her
497 designee.

498 6. The Chief Justice or his or her designee.

499 7. The Senate President or his or her designee.

500 8. The Speaker of the House or his or her designee.

501 9. The Chief Information Officer of the Department of
 502 Financial Services or his or her designee.

503 10. The Chief Information Officer of the Department of
 504 Legal Affairs or his or her designee.

505 11. The Chief Information Officer of the Department of
 506 Agriculture and Consumer Services or his or her designee.

507 (2) (a) The members appointed herein shall be appointed to
 508 terms of 4 years. However, for the purpose of providing
 509 staggered terms:

510 (b) The appointments made by the Governor and the Director
 511 of the Governor's Office of Policy and Budget are appointed to
 512 initial two-year terms.

513 (c) The Secretary of Management Services, and the State
 514 Chief Information Officer are appointed to initial four-year
 515 terms.

516 (d) The appointment of the Chief Justice is to an initial
 517 three-year term.

518 (e) The appointments of the Senate President and the
 519 Speaker of the House are appointed to initial two-year terms.

520 (f) The appointments of the Chief Information Officers of
 521 the Department of Agriculture and Consumer Services, the
 522 Department of Financial Services, and the Department of Legal
 523 Affairs are appointed to initial two-year terms.

524 (g) A vacancy on the council shall be filled in the same
 525 manner as the original appointment for the unexpired term.

526 (h) The council shall meet semiannually beginning October
527 1,2020, to discuss implementation, management, and coordination
528 of the enterprise architecture; identify potential issues and
529 threats with specific use cases; and develop proactive
530 solutions.

531 Section 4. Paragraph (a) of subsection (3) of section
532 282.318, Florida Statutes, is amended to read:

533 282.318 Security of data and information technology.—

534 (3) The department is responsible for establishing
535 standards and processes consistent with generally accepted best
536 practices for information technology security, to include
537 cybersecurity, and adopting rules that safeguard an agency's
538 data, information, and information technology resources to
539 ensure availability, confidentiality, and integrity and to
540 mitigate risks. The department shall also:

541 (a) Designate a state chief information security officer
542 who shall be appointed by and report to the state chief
543 information officer of the Florida Digital Service and is in the
544 Senior Management Service. The state chief information security
545 officer must have experience and expertise in security and risk
546 management for communications and information technology
547 resources.

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

550 287.0591 Information technology.—

551 (4) If the department issues a competitive solicitation
 552 for information technology commodities, consultant services, or
 553 staff augmentation contractual services, the Florida Digital
 554 Service Division of State Technology within the department shall
 555 participate in such solicitations.

556 Section 6. Paragraph (a) of subsection (3) of section
 557 365.171, Florida Statutes, is amended to read:

558 365.171 Emergency communications number E911 state plan.—

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

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

563 Section 7. Paragraph (s) of subsection (3) of section
 564 365.172, Florida Statutes, is amended to read:

565 365.172 Emergency communications number "E911."—

566 (3) DEFINITIONS.—Only as used in this section and ss.
 567 365.171, 365.173, 365.174, and 365.177, the term:

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

571 Section 8. Paragraph (a) of subsection (1) of section
 572 365.173, Florida Statutes, is amended to read:

573 365.173 Communications Number E911 System Fund.—

574 (1) REVENUES.—

575 (a) Revenues derived from the fee levied on subscribers

576 | under s. 365.172(8) must be paid by the board into the State
 577 | Treasury on or before the 15th day of each month. Such moneys
 578 | must be accounted for in a special fund to be designated as the
 579 | Emergency Communications Number E911 System Fund, a fund created
 580 | in the Division of Telecommunications ~~State Technology~~, or other
 581 | office as designated by the Secretary of Management Services.

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

584 | 943.0415 Cybercrime Office.—There is created within the
 585 | Department of Law Enforcement the Cybercrime Office. The office
 586 | may:

587 | (5) Consult with the Florida Digital Service ~~Division of~~
 588 | ~~State Technology~~ within the Department of Management Services in
 589 | the adoption of rules relating to the information technology
 590 | security provisions in s. 282.318.

591 | Section 10. Section 560.214, Florida Statutes, is created
 592 | to read:

593 | 560.214 Financial Technology Sandbox.—

594 | (1) SHORT TITLE.—This section may be cited as the
 595 | "Financial Technology Sandbox."

596 | (2) CREATION OF THE FINANCIAL TECHNOLOGY SANDBOX.—There is
 597 | created the Financial Technology Sandbox within the Office of
 598 | Financial Regulation to allow financial technology innovators to
 599 | test new products and services in a supervised, flexible
 600 | regulatory sandbox, using waivers of specified general law and

601 corresponding rule requirements under defined conditions. The
602 creation of a supervised, flexible regulatory sandbox provides a
603 welcoming business environment for technology innovators and may
604 lead to significant business growth.

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

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

611 (b) "Financial product or service" means a product or
612 service related to money transmitters and payment instrument
613 sellers, including mediums of exchange that are in electronic or
614 digital form, which is subject to general law or corresponding
615 rule requirements in the sections enumerated in paragraph (4) (a)
616 and which is under the jurisdiction of the office.

617 (c) "Financial Technology Sandbox" means the program
618 created in this section which allows a person to make an
619 innovative financial product or service available to consumers
620 as a money transmitter or payment instrument seller, as defined
621 in s. 560.103(23), during a sandbox period through a waiver of
622 general laws or rule requirements, or portions thereof, as
623 specified in this section.

624 (d) "Innovative" means new or emerging technology, or new
625 uses of existing technology which provides a product, service,

626 business model, or delivery mechanism to the public.

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

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

631 1. Authorized an innovative financial product or service
632 to be made available to consumers.

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

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

638 (a) Upon approval of a Financial Technology Sandbox
639 application, the office may grant an applicant a waiver of a
640 requirement, or a portion thereof, which is imposed by a general
641 law or corresponding rule in any of the following sections, if
642 all of the conditions in this section are met:

643 1. Section 560.1105.

644 2. Section 560.118.

645 3. Section 560.125, except for s. 560.125(2).

646 4. Section 560.128.

647 5. Section 560.1401, except for s. 560.1401(2)-(4).

648 6. Section 560.141, except for s. 560.141(1)(b)-(d).

649 7. Section 560.142, except that the office may prorate,
650 but may not entirely waive, the license renewal fees provided in

651 s. 560.142 and s. 560.143 for an extension granted under
652 subsection (7).

653 8. Section 560.143(2) to the extent necessary for
654 proration of the renewal fee under subparagraph 7.

655 9. Section 560.205, except for s. 560.205(1) and s.
656 560.205(3).

657 10. Section 560.208, except for s. 560.208(3)-(6).

658 11. Section 560.209, except that the office may modify,
659 but may not entirely waive, the net worth, corporate surety
660 bond, and collateral deposit amounts required under s. 560.209.
661 The modified amounts must be in such lower amounts that the
662 office determines to be commensurate with the considerations
663 under paragraph (5)(e) and the maximum number of consumers
664 authorized to receive the product or service under this section.

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

669 1. The general law or corresponding rule currently
670 prevents the innovative financial product or service to be made
671 available to consumers.

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

675 3. No provision relating to the liability of an

676 incorporator, director, or officer of the applicant is eligible
677 for a waiver.

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

679 (5) FINANCIAL TECHNOLOGY SANDBOX APPLICATION; STANDARDS
680 FOR APPROVAL.—

681 (a) Before filing an application under this section, a
682 substantially affected person may seek a declaratory statement
683 pursuant to s. 120.565 regarding the applicability of a statute,
684 rule, or agency order to the petitioner's particular set of
685 circumstances.

686 (b) Before making an innovative financial product or
687 service available to consumers in the Financial Technology
688 Sandbox, a person must file an application with the office. The
689 commission shall, by rule, prescribe the form and manner of the
690 application.

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

695 2. The application must also contain the information
696 specified in paragraph (e).

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

701 (d) Before a person applies on behalf of a business entity
702 intending to make an innovative financial product or service
703 available to consumers, the person must obtain the consent of
704 the business entity.

705 (e) The office shall approve or deny in writing a
706 Financial Technology Sandbox application within 60 days after
707 receiving the completed application. The office and the
708 applicant may jointly agree to extend the time beyond 60 days.
709 The office may impose conditions on any approval, consistent
710 with this section. In deciding to approve or deny an
711 application, the office must consider each of the following:

712 1. The nature of the innovative financial product or
713 service proposed to be made available to consumers in the
714 Financial Technology Sandbox, including all relevant technical
715 details.

716 2. The potential risk to consumers and the methods that
717 will be used to protect consumers and resolve complaints during
718 the sandbox period.

719 3. The business plan proposed by the applicant, including
720 a statement regarding the applicant's current and proposed
721 capitalization.

722 4. Whether the applicant has the necessary personnel,
723 adequate financial and technical expertise, and a sufficient
724 plan to test, monitor, and assess the innovative financial
725 product or service.

726 5. Whether any person substantially involved in the
727 development, operation, or management of the applicant's
728 innovative financial product or service has pled no contest to,
729 has been convicted or found guilty of, or is currently under
730 investigation for, fraud, a state or federal securities
731 violation, any property-based offense, or any crime involving
732 moral turpitude or dishonest dealing. A plea of no contest, a
733 conviction, or finding of guilt must be reported under this
734 subparagraph regardless of adjudication.

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

737 7. The financial responsibility of any person
738 substantially involved in the development, operation, or
739 management of the applicant's innovative financial product or
740 service.

741 8. Any other factor that the office determines to be
742 relevant.

743 (g) The office may not approve an application if:

744 1. The applicant had a prior Financial Technology Sandbox
745 application which was approved and which related to a
746 substantially similar financial product or service; or

747 2. Any person substantially involved in the development,
748 operation, or management of the applicant's innovative financial
749 product or service was substantially involved in such with
750 another Financial Technology Sandbox applicant whose application

751 was approved and whose application related to a substantially
752 similar financial product or service.

753 (h) Upon approval of an application, the office shall
754 specify the general law or rule requirements, or portions
755 thereof, for which a waiver is granted during the sandbox period
756 and the length of the initial sandbox period, not to exceed 24
757 months. The office shall post on its website notice of the
758 approval of the application, a summary of the innovative
759 financial product or service, and the contact information of the
760 person making the financial product or service available.

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

762 (a) A person whose Financial Technology Sandbox
763 application is approved may make an innovative financial product
764 or service available to consumers during the sandbox period.

765 (b) The office may, on a case-by-case basis, specify the
766 maximum number of consumers authorized to receive an innovative
767 financial product or service, after consultation with the person
768 who makes the financial product or service available to
769 consumers. The office may not authorize more than 15,000
770 consumers to receive the product or service until the person who
771 makes the financial product or service available to consumers
772 has filed the first report required under subsection (8).
773 Thereafter, if the person demonstrates adequate financial
774 capitalization, risk management process, and management
775 oversight, the office may authorize up to 25,000 consumers to

776 receive the product or service.

777 (c)1. Before a consumer purchases, uses, receives, or
778 enters into an agreement to purchase, use, or receive an
779 innovative financial product or service through the Financial
780 Technology Sandbox, the person making the financial product or
781 service available must provide a written statement of all of the
782 following to the consumer:

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

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

788 c. That the state does not endorse the financial product
789 or service.

790 d. That the financial product or service is undergoing
791 testing, may not function as intended, and may entail financial
792 risk.

793 e. That the person making the product or service available
794 to consumers is not immune from civil liability for any losses
795 or damages caused by the financial product or service.

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

797 g. The contact information for the office, and
798 notification that suspected legal violations, complaints, or
799 other comments related to the financial product or service may
800 be submitted to the office.

801 h. Any other statements or disclosures required by rule of
802 the commission which are necessary to further the purposes of
803 this section.

804 2. The written statement must contain an acknowledgement
805 from the consumer, which must be retained for the duration of
806 the sandbox period by the person making the financial product or
807 service available.

808 (d) The office may enter into an agreement with a state,
809 federal, or foreign regulatory agency to allow persons who make
810 an innovative financial product or service available in this
811 state through the Financial Technology Sandbox to make their
812 products or services available in other jurisdictions.

813 (e)1. A person whose Financial Technology Sandbox
814 application is approved by the office shall maintain
815 comprehensive records relating to the innovative financial
816 product or service. The person shall keep these records for at
817 least 5 years after the conclusion of the sandbox period. The
818 commission may specify by rule additional records requirements.

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

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

822 (a) A person who is authorized to make an innovative
823 financial product or service available to consumers may apply
824 for an extension of the initial sandbox period for up to 12
825 additional months for either purpose specified in paragraph (b).

826 A complete application for an extension must be filed with the
827 office at least 90 days before the conclusion of the initial
828 sandbox period. The office shall approve or deny the application
829 for extension in writing at least 35 days before the conclusion
830 of the initial sandbox period. In deciding to approve or deny an
831 application for extension of the sandbox period, the office
832 must, at a minimum, consider the current status of the factors
833 previously considered under paragraph (5) (e).

834 (b) An application for an extension under paragraph (a)
835 must cite one of the following reasons as the basis for the
836 application and must provide all relevant supporting information
837 that:

838 1. Amendments to general law or rules are necessary to
839 offer the innovative financial product or service in this state
840 permanently.

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

845 (c) At least 30 days before the conclusion of the initial
846 sandbox period or the extension, whichever is later, a person
847 who makes an innovative financial product or service available
848 shall provide written notification to consumers regarding the
849 conclusion of the initial sandbox period or the extension and
850 may not make the financial product or service available to any

851 new consumers after the conclusion of the initial sandbox period
852 or the extension, whichever is later, until legal authority
853 outside of the Financial Technology Sandbox exists to make the
854 financial product or service available to consumers. After the
855 conclusion of the sandbox period or the extension, whichever is
856 later, the person may:

857 1. Collect and receive money owed to the person or pay
858 money owed by the person, based on agreements with consumers
859 made before the conclusion of the sandbox period or the
860 extension.

861 2. Take necessary legal action.

862 3. Take other actions authorized by rule of the commission
863 which are not inconsistent with this subsection.

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

870 (9) CONSTRUCTION.—A person whose Financial Technology
871 Sandbox application is approved shall be deemed licensed under
872 part II of this chapter unless the person's authorization to
873 make the product or service available to consumers under this
874 section has been revoked or suspended.

875 (10) VIOLATIONS AND PENALTIES.—

876 (a) A person who makes an innovative financial product or
 877 service available to consumers in the Financial Technology
 878 Sandbox is:

879 1. Not immune from civil damages for acts and omissions
 880 relating to this section.

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

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

885 a. The person has violated or refused to comply with this
 886 section, a rule of the commission, an order of the office, or a
 887 condition placed by the office on the approval of the person's
 888 Financial Technology Sandbox application;

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

893 c. A material error, false statement, misrepresentation,
 894 or material omission was made in the Financial Technology
 895 Sandbox application; or

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

898 (I) Be likely to harm consumers; or

899 (II) No longer serve the purposes of this section because
 900 of the financial or operational failure of the financial product

901 or service.

902 2. Written notice of a revocation or suspension order made
903 under subparagraph 1. shall be served using any means authorized
904 by law. If the notice relates to a suspension, the notice must
905 include any condition or remedial action that the person must
906 complete before the office lifts the suspension.

907 (c) The office may refer any suspected violation of law to
908 an appropriate state or federal agency for investigation,
909 prosecution, civil penalties, and other appropriate enforcement
910 actions.

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

915 (11) RULES AND ORDERS.—

916 (a) The commission shall adopt rules to administer this
917 section.

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

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