

1 A bill to be entitled
 2 An act relating to public records; creating s.
 3 560.312, F.S.; providing an exemption from public
 4 records requirements for payment instrument
 5 transaction information held by the Office of
 6 Financial Regulation; providing for specified access
 7 to such information; authorizing the office to enter
 8 into information-sharing agreements and provide access
 9 to information contained in the database to certain
 10 governmental agencies; requiring any department or
 11 agency that receives confidential information to
 12 maintain the confidentiality of the information,
 13 except as otherwise required by court order; providing
 14 for future review and repeal of the exemption;
 15 providing a statement of public necessity; providing a
 16 contingent effective date.

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

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 20 Section 1. Section 560.312, Florida Statutes, is created
 21 to read:

22 560.312 Database of payment instrument transactions;
 23 confidentiality.-

24 (1) Payment instrument transaction information held by the
 25 office pursuant to s. 560.310 which identifies a licensee,
 26 payor, payee, or conductor is confidential and exempt from s.
 27 119.07(1) and s. 24(a), Art. I of the State Constitution.

28 (2) (a) A licensee may access information that it submits

29 to the office for inclusion in the database.

30 (b) The office, to the extent permitted by state and
 31 federal law, may enter into information-sharing agreements with
 32 the department, law enforcement agencies, and other governmental
 33 agencies and, in accordance with such agreements, may provide
 34 the department, law enforcement agencies, and other governmental
 35 agencies with access to information contained in the database
 36 for use in detecting and deterring financial crimes and workers'
 37 compensation violations, pursuant to Chapter 440, F.S. Any
 38 department or agency that receives confidential information from
 39 the office under this paragraph must maintain the
 40 confidentiality of the information, unless, and only to the
 41 extent that, a court order compels production of this
 42 information to a specific party or parties.

43 (3) Subsection (1) is subject to the Open Government
 44 Sunset Review Act in accordance with s. 119.15 and shall stand
 45 repealed on October 2, 2018, unless reviewed and saved from
 46 repeal through reenactment by the Legislature.

47 Section 2. The Legislature finds that it is a public
 48 necessity that payment instrument transaction information held
 49 by the Office of Financial Regulation pursuant to s. 560.310,
 50 Florida Statutes, which identifies a licensee, payor, payee, or
 51 conductor be made confidential and exempt from s. 119.07(1),
 52 Florida Statutes, and s. 24(a), Article I of the State
 53 Constitution.

54 (1) Pursuant to s. 560.310, Florida Statutes, money
 55 services businesses that cash a payment instrument exceeding
 56 \$1,000 must submit information about the transaction to the

57 Office of Financial Regulation in order to deter money
58 laundering through these entities and in response to the
59 findings of the Money Service Business Facilitated Workers'
60 Compensation Fraud Work Group that these entities are being used
61 to facilitate financial crimes, including fraud relating to
62 workers' compensation. The report issued by the group found that
63 this type of workers' compensation fraud could be costing the
64 state upwards of \$1 billion dollars annually in unreported
65 payroll taxes, unreported premium taxes, and higher costs to
66 insurance carriers who must process workers' compensation claims
67 from uninsured workers. This type of fraud places tremendous
68 pressure on law-abiding businesses to absorb these costs.

69 (a) Submission of this information to the office is
70 intended to assist the office, the Department of Financial
71 Services, law enforcement agencies, and other governmental
72 agencies in detecting and deterring these financial crimes and
73 related fraudulent activities.

74 (b) The availability of this information to these agencies
75 will help to increase premium collection, lower costs to
76 insurance carries, and alleviate premium avoidance, as well as
77 reduce the cost of administering these public programs.

78 (2) However, the public availability of payment instrument
79 transaction information would reveal sensitive, personal
80 financial information about payees and conductors who use check-
81 cashing programs, including paycheck amounts, salaries, and
82 business activities, as well as information regarding the
83 financial stability of these persons. Such information is
84 traditionally private and sensitive. Protecting the

85 confidentiality of information that would identify these payees
 86 and conductors would provide adequate protection for these
 87 persons while still providing public oversight of the program.

88 (3) The public release of payment instrument transaction
 89 information would also identify licensees or payors and reveal
 90 private business transaction information that is traditionally
 91 private and could be used by competitors to harm other licensees
 92 or payors in the marketplace. If such information were publicly
 93 available, competitors could determine the amount of business
 94 conducted by other licensees or payors.

95 (4) Therefore, the Legislature finds that information that
 96 would identify the licensee, payor, payee, or conductor in
 97 payment instrument transaction information be made confidential
 98 and exempt from public records requirements.

99 Section 3. This act shall take effect on the same date
 100 that HB 217 or similar legislation takes effect, if such
 101 legislation is adopted in the same legislative session or an
 102 extension thereof and becomes a law.