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## Innovation, Technology & Economic Development Committee

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### HB 2604

**Brief Description:** Fostering economic growth in Washington by supporting a certain regulatory environment for blockchain and distributed ledger technology solutions.

**Sponsors:** Representatives Young, Tarleton, Smith, Slatter and Hudgins.

#### Brief Summary of Bill

- Establishes the Washington blockchain work group (work group) for the purpose of developing policy recommendations to improve regulatory certainty for blockchain and distributed ledger technology solutions.
- Requires the work group to submit a report of recommendations to the Legislature by November 30, 2021.

**Hearing Date:** 1/29/20

**Staff:** Kyle Raymond (786-7190).

#### Background:

In 2019, legislation was enacted providing that an electronic record may not be denied legal effect because it is generated or stored using distributed ledger technology.

Distributed ledger technology means any distributed ledger protocol and supporting infrastructure, including blockchain, that uses a distributed, decentralized, shared, and replicated ledger.

Blockchain means a cryptographically secured, chronological, and decentralized consensus ledger or consensus database maintained via internet, peer-to-peer network, or other similar interaction.

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## **Summary of Bill:**

Subject to appropriations, the Washington blockchain work group (work group) is established. The purpose of the work group is to develop policy recommendations to improve state and local regulatory certainty for blockchain and distributed ledger technology solutions in both the private and public sector. The stated objective of the policy recommendations is to promote economic development and the development of a stronger information technology sector workforce.

The work group is composed of two Senators from each of the two largest caucuses of the Senate, and two Representatives from each of the two largest caucuses of the House of Representatives. Work group members are appointed by the leader of each respective caucus in each respective chamber.

The work group must convene an advisory group to provide information, assistance, and input to the work group in its development of policy recommendations. The Chair of the work group must appoint a business or trade association representative to the advisory group from each of the following industry sectors:

- application development;
- blockchain-as-a-service;
- health care;
- exchanges and investing;
- energy;
- identity and privacy;
- cryptographic accounting;
- supply chain and logistics;
- telecommunications; and
- manufacturing and maintenance.

The work group is required to hold its first meeting by August 1, 2020. The Chair of the committee must form its members at the first meeting.

A public comment period must be provided at every work group meeting. Staff support for the work group must be provided by Senate Committee Services and the House of Representatives Office of Program Research.

The work group is required to submit a report on recommended policies that will facilitate the development of blockchain applications in Washington to the Governor and the appropriate committees of the Legislature by November 30, 2021.

The work group dissolves August 1, 2022.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.