
**Innovation, Technology & Economic
Development Committee**

SSB 6065

Brief Description: Establishing the Washington blockchain work group.

Sponsors: Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Brown, Hasegawa, Kuderer, Nguyen, Rolfes, Short, Wilson, L., Das and Wellman).

Brief Summary of Substitute Bill

- Establishes the Washington blockchain work group (work group) for the purpose of examining various potential applications of blockchain technology.
- Requires the work group to submit a report to the Governor and the Legislature on recommended policies to develop blockchain applications in Washington by December 1, 2021.

Hearing Date: 2/25/20

Staff: Kyle Raymond (786-7190).

Background:

Legislation was enacted in 2019 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

The Washington blockchain work group (work group) is established, subject to appropriations. The purpose of the work group is to examine various potential applications of blockchain technology, including computing, banking and other financial services, the real estate transaction process, health care, supply chain management, higher education, and public recordkeeping.

The work group is composed of four legislative members, four members from state agencies, and eight members from associations.

The legislative work group members include: (1) one Senator from each of the two largest caucuses of the Senate, appointed by the President of the Senate; and (2) one Representative from each of the two largest caucuses of the House of Representatives, appointed by the Speaker of the House of Representatives.

The work group also includes the Director, or the Director's designee, of the Department of Commerce, Department of Agriculture, and Department of Financial Institutions. In addition, the work group includes the Director of Washington Technology Solutions, the Consolidated Technology Services Agency, or the Director's designee.

The work group is also composed of individuals representing trade and other associations. The Governor must appoint, subject to Senate confirmation, an individual representing each of the following:

- a Washington-based technology trade association for the full cross section of the technology sector;
- a trade association for financial services companies that do business in Washington;
- a trade association for title insurance companies that do business in Washington;
- a trade association for health care companies that do business in Washington;
- a trade association for property and casualty insurance companies that do business in Washington;
- a trade association for Washington-based agriculture;
- an association for county government officials in Washington; and
- an association for public utility districts in Washington.

In addition, individuals representing other sectors may be invited by the chair, in consultation with the other appointed members of the work group, to participate in the work group in an advisory capacity. These invited representatives are not members of the work group, may not vote, and are not subject to Senate confirmation. There is no limit on the number of invited individuals acting in an advisory capacity.

The work group shall hold its first meeting by August 1, 2020. The work group must elect a chair from among its members by majority vote at the first meeting. The chair of the work group is responsible for arranging subsequent meetings and developing meeting agendas.

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 Legislature by December 1, 2021.

The work group expires January 1, 2022.

Appropriation: None.

Fiscal Note: Available.

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