

# SENATE BILL REPORT

## SB 6065

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As Reported by Senate Committee On:  
Environment, Energy & Technology, January 30, 2020

**Title:** An act relating to establishing the Washington blockchain work group.

**Brief Description:** Establishing the Washington blockchain work group.

**Sponsors:** Senators Brown, Hasegawa, Kuderer, Nguyen, Rolfes, Short, Wilson, L., Das and Wellman.

**Brief History:**

**Committee Activity:** Environment, Energy & Technology: 1/14/20, 1/30/20 [DPS, DNP].

**Brief Summary of First Substitute Bill**

- Establishes the Washington blockchain work group (work group) with the purpose of examining various potential applications of blockchain technology.
- Requires the work group to submit a report of recommendations by December 1, 2021.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

**Majority Report:** That Substitute Senate Bill No. 6065 be substituted therefor, and the substitute bill do pass.

Signed by Senators Carlyle, Chair; Lovelett, Vice Chair; Sheldon, Assistant Ranking Member, Energy & Technology; Brown, Das, Hobbs, Liias, McCoy, Nguyen, Rivers, Short, Stanford and Wellman.

**Minority Report:** Do not pass.

Signed by Senators Ericksen, Ranking Member; Fortunato, Assistant Ranking Member, Environment.

**Staff:** Angela Kleis (786-7469)

**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.

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*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.*

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.

**Summary of Bill (First Substitute):** Subject to appropriations, the work group is established with the purpose of examining various potential applications of blockchain technology such as 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:

- one member from each of the two largest caucuses in the Senate and the House of Representatives;
- the director, or the director's designee, for the departments of Commerce, Agriculture, and Financial Institutions and the Consolidated Technology Services Agency; and
- individuals representing specified associations that must be appointed by the Governor, subject to Senate confirmation.

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, and elect a chair from its members at that 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 shall 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 December 1, 2021. The work group dissolves January 1, 2022.

**EFFECT OF CHANGES MADE BY ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE (First Substitute):**

- Modifies the purpose of the task force by adding supply chain management and higher education.
- Adds representatives to the task force from the agriculture sector, property and casualty insurance companies, and public utility districts.
- Authorizes representatives from other sectors to be invited to participate in the work group in an advisory capacity.

- Changes who appoints legislative members to the taskforce.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: Companies are adopting blockchain technology to improve the delivery of services. This bill is a critical step in allowing the state and the private sector to work together for the benefit of each other as well as Washington residents. Blockchain creates new business opportunities as well as jobs throughout the industry not just in technology. We request a representative from a public utility district be added to the task force membership.

**Persons Testifying:** PRO: Senator Sharon Brown, Prime Sponsor; Arry Yu, Chair, Cascadia Blockchain Council; Brock Freeman, FIBREE; Kristy-Leigh Minehan, citizen; Alvaro Jimenez Jimenez, Yunity & Gaudium Capital; Christopher Spanton, Principal Architect of Emerging Technology Strategy, T-Mobile; Lawrence Lerner, Managing Director, Lerner Consulting, citizen; Jill Williamson, Gravis Law, citizen; Nicolas Garcia, Washington PUD Association.

**Persons Signed In To Testify But Not Testifying:** No one.