

ESSB 5544 - H COMM AMD

By Committee on Community & Economic Development

ADOPTED AS AMENDED 03/04/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) Subject to the availability of
4 amounts appropriated for this specific purpose, the Washington
5 blockchain work group is established. The purpose of the work group
6 is to examine various potential applications of and policies for
7 blockchain technology including, but not limited to, applications in
8 computing, banking and other financial services, the real estate
9 transaction process, health care, supply chain management, higher
10 education, identity verification, and public recordkeeping to help
11 attract and support employees and new businesses with a supportive
12 ecosystem.

13 (2) The work group is composed of the following members:

14 (a) The director of the department of commerce or the director's
15 designee;

16 (b) An individual representing a federally recognized tribe
17 located in Washington;

18 (c) A cybersecurity expert with experience in blockchain
19 technology or its applications;

20 (d) An individual representing a Washington-based technology
21 trade association for the full cross section of the technology
22 sector;

23 (e) An individual from the Cascadia blockchain council;

24 (f) An individual from a higher education institution in the
25 field of blockchain;

26 (g) An individual representing a trade association for financial
27 services companies that do business in Washington;

28 (h) An individual representing a trade association for title
29 insurance companies that do business in Washington;

30 (i) An individual representing a trade association for health
31 care companies that do business in Washington;

1 (j) An individual representing an association for county
2 government officials in Washington;

3 (k) An individual representing a trade association for
4 Washington-based agriculture;

5 (l) An individual representing a trade association for property
6 and casualty insurance companies that do business in Washington;

7 (m) An individual representing a consumer advocacy organization;

8 (n) An individual representing a large company who has experience
9 working with blockchain applications;

10 (o) An individual representing a small company who has experience
11 working with blockchain applications;

12 (p) Two individuals representing the Washington state labor
13 council working in the fields impacted by blockchain technology or
14 its applications;

15 (q) Two individuals representing advocacy organizations that
16 represent individuals or protected classes of communities
17 historically impacted by surveillance technologies and bias in
18 technology-based systems;

19 (r) An individual representing an environmental advocacy
20 organization with expertise in energy policy;

21 (s) An individual representing an environmental advocacy
22 organization with expertise in sustainability; and

23 (t) An individual representing an association for public utility
24 districts in Washington.

25 (3) The individuals listed in subsection (2)(b) through (t) of
26 this section must be designated by their organization or association
27 or the director of the department of commerce.

28 (4) The work group shall also include as members:

29 (a) One senator from each of the two largest caucuses of the
30 senate, appointed by the president of the senate; and

31 (b) One representative from each of the two largest caucuses of
32 the house of representatives, appointed by the speaker of the house
33 of representatives.

34 (5) In addition to the members listed in subsections (2) and (4)
35 of this section, the following individuals shall serve as ex officio
36 members of the work group: The director of the department of
37 financial institutions, or the director's designee; the director of
38 Washington technology solutions, the consolidated technology services
39 agency, or the director's designee; the director of the department of
40 agriculture, or the director's designee; the insurance commissioner,

1 or the insurance commissioner's designee; the director of the
2 department of ecology, or the director's designee; the state auditor,
3 or the state auditor's designee; the secretary of state, or the
4 secretary's designee; the director of the department of revenue, or
5 the director's designee; and the director of the health care
6 authority, or the director's designee.

7 (6) In addition to the members of the work group under
8 subsections (2), (4), and (5) of this section, individuals
9 representing other sectors may be invited by the chair, in
10 consultation with the other appointed members of the work group, to
11 participate in an advisory capacity in meetings of the work group.
12 Individuals participating in an advisory capacity under this
13 subsection are not members of the work group, may not vote, and are
14 not subject to the appointment process established in this section.
15 There is no limit to the number of individuals who may participate in
16 work group meetings in an advisory capacity under this subsection.

17 (7) A majority of the work group members constitutes a quorum. If
18 a member has not been designated for a position set forth in this
19 section, that position may not be counted for the purpose of
20 determining a quorum.

21 (8) The work group shall hold its inaugural meeting by December
22 1, 2022. The work group shall elect a chair from among its members at
23 the inaugural meeting. The election of the chair must be by a
24 majority vote of the work group members who are present at the
25 inaugural meeting. The chair of the work group is responsible for
26 arranging subsequent meetings and developing meeting agendas.

27 (9) Staff support for the work group, including arranging the
28 inaugural meeting of the work group and assisting the chair of the
29 work group in arranging subsequent meetings, must be provided by the
30 department of commerce.

31 (10) Legislative members of the work group may be reimbursed for
32 travel expenses in accordance with RCW 44.04.120. Nonlegislative
33 members of the work group are not entitled to be reimbursed for
34 travel expenses if they are elected officials or are participating on
35 behalf of an employer, governmental entity, or other organization.
36 Any reimbursement for other nonlegislative members is subject to
37 chapter 43.03 RCW.

38 (11) The work group is a class one group under chapter 43.03 RCW.

39 (12) A public comment period must be provided at every meeting of
40 the work group.

1 (13) The work group shall submit a report to the governor and the
2 appropriate committees of the legislature by December 1, 2023, on
3 potential uses and impacts of blockchain, including impacts on
4 existing industries, utilities, demand for electricity, and demand
5 for computer processing capacity, and recommended policies that will
6 facilitate the development of blockchain applications and the sector
7 overall in Washington, grow the related workforce, evaluate
8 environmental advantages and concerns, make Washington a favorable
9 place to do business, address racial equity considerations, and
10 improve the lives of Washington residents.

11 (14) The work group may create subcommittees to perform duties
12 under this section.

13 (15) This section expires January 1, 2024. The work group is
14 dissolved upon the expiration of this section."

15 Correct the title.

EFFECT: (1) Specifies that the purpose of the Washington
blockchain work group (work group) is to examine various potential
applications of and policies for blockchain technology to help
attract and support employees and new businesses, and adds identity
verification as a potential application;

(2) Removes the Secretary of State and the directors of the
Department of Financial Institutions, Washington Technology
Solutions, the Department of Agriculture, and the Health Care
Authority as members of the work group and adds them as ex officio
members, along with the Insurance Commissioner, the Director of the
Department of Ecology, the State Auditor, and the Director of the
Department of Revenue;

(3) Adds a cybersecurity expert and individuals representing the
following organizations as members of the work group: The Cascadia
Blockchain Council, a higher education institution, a consumer
advocacy organization, a large company, a small company, the
Washington State Labor Council, and advocacy organizations that
represent individuals or protected classes of communities
historically impacted by surveillance technologies and bias in
technology-based systems;

(4) Specifies that certain members must be designated by their
organization or by the Director of the Department of Commerce;

(5) Changes the date of the inaugural meeting of the work group;

(6) Specifies that the work group's report must also include
recommended policies to grow the blockchain-related workforce,
evaluate environmental advantages and concerns, make Washington a
favorable place to do business, address racial equity considerations,
and improve the lives of Washington residents; and

(7) Specifies that the work group may create subcommittees.

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