Blockchain Technology: What it means for states

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Blockchain at the Federal level

- To date, there has not been any legislation has been introduced by Congress regarding blockchain.
- Congressional Blockchain Caucus was formed in 2016 and looks into blockchain’s implications for government applications, data ownership, healthcare, and more.
- There was a joint hearing held by the Committee on Science, Space, and Technology and the Subcommittees on Oversight, and Research and Technology on May 8, 2018 titled “Leveraging Blockchain Technology to Improve Supply Chain Management and Combat Counterfeit Goods.”
States are leading the way

- Many states have already recognized the benefits that blockchain can offer.
  - 21 state bills have been enacted concerning blockchain technology.
  - 5 states have passed legislation to form study groups to look into the legislative implications and potential of this technology (CO, CT, MD, VT, WY).
- Many of these task forces and study groups develop recommendations for a legal framework that will encourage, clarify, and protect the development of applications which will leverage blockchain technology and protect consumers.
Wyoming

- Wyoming has been at the forefront of this technology and has enacted five bills relating to blockchain and cryptocurrency.
- This year the Wyoming legislature passed HB 101 which updated the Wyoming Business Corporations Act.
• In 2017 the Arizona legislature enacted HB 2602 which states that a city or town may not prohibit or otherwise restrict an individual from running a node on blockchain technology in a residence.
• This year the legislature enacted HB 2603 which adds to the definition of writing or written to include blockchain technology for corporations.
Colorado

• Last year the legislature enacted SB 86 which requires the Department of State to consider research, development, and implementation for encryption and data integrity techniques, including distributed ledger technologies such as blockchain.
Tennessee

• Last year Tennessee enacted HB 1507 which recognizes the legal authority to use blockchain technology and smart contracts in conducting electronic transactions.
Delaware

• Last year Delaware enacted SB 69 which amended current laws to allow corporations to use “networks of electronic databases” (i.e. blockchain) for the creation and maintenance of corporate records, including the corporation’s stock ledger.
Future regulations for blockchain

• It is important to foster this growing industry, and not stifle it with knee-jerk regulations.
• Western states have lead the charge with a pro-innovation approach to blockchain.