Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Community & Economic Development Committee

HB 1729

Brief Description: Establishing the Washington blockchain work group.

Sponsors: Representatives Senn, Paul, Ryu and Leavitt.

Brief Summary of Bill

- Establishes the Washington blockchain work group (work group) for the purpose of examining various potential applications of and policies for blockchain technology.
- Requires the work group to submit a report to the Governor and the Legislature by December 1, 2023.

Hearing Date: 1/18/22

Staff: Emily Poole (786-7106).

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.

Summary of Bill:

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

The Washington blockchain work group (work group) is established. The purpose of the work group is to examine various potential applications of and policies for blockchain technology to help attract and support employees and new businesses.

The work group is composed of one senator from each of the two largest caucuses of the Senate, one representative from each of the two largest caucuses of The House of Representatives, the Lieutenant Governor, and 14 other industry experts and members from associations, including:

- individuals representing trade associations for Washington-based technology, financial services companies, title insurance companies, health care companies, agriculture, and property and casualty insurance companies;
- individuals representing associations for county government officials and public utility districts;
- an individual representing a consumer advocacy organization;
- individuals representing a large company and a small company with experience working with blockchain applications;
- a cybersecurity expert; and
- individuals from the Cascadia blockchain council and a higher education institution.

Directors of the following state agencies, or their designees, are specified as ex officio members of the work group: the Department of Commerce, the Department of Financial Institutions, Washington Technology Solutions, the Department of Agriculture, the Office of the Insurance Commissioner, and the Department of Ecology.

In addition, individuals representing other sectors may be invited to participate in the work group in an advisory capacity. Individuals participating in an advisory capacity are not members of the work group.

The work group shall hold its first meeting by August 1, 2022. A public comment period must be provided at every work group meeting.

The work group is required to submit a report to the Governor and the Legislature by December 1, 2023, on recommended policies that will facilitate the development of blockchain applications and the sector overall.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

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