**5544-S.E AMH CED H2763.2 - NOT FOR FLOOR USE**

**ESSB 5544** - H COMM AMD

By Committee on Community & Economic Development

**ADOPTED AS AMENDED 03/04/2022**

Strike everything after the enacting clause and insert the following:

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

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

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

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

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

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

(e) An individual from the Cascadia blockchain council;

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

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

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

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

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

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

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

(m) An individual representing a consumer advocacy organization;

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

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

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

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

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

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

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

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

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

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

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

(5) In addition to the members listed in subsections (2) and (4) of this section, the following individuals shall serve as ex officio members of the work group: The director of the department of financial institutions, or the director's designee; the director of Washington technology solutions, the consolidated technology services agency, or the director's designee; the director of the department of agriculture, or the director's designee; the insurance commissioner, or the insurance commissioner's designee; the director of the department of ecology, or the director's designee; the state auditor, or the state auditor's designee; the secretary of state, or the secretary's designee; the director of the department of revenue, or the director's designee; and the director of the health care authority, or the director's designee.

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

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

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

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

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

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

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

(13) The work group shall submit a report to the governor and the appropriate committees of the legislature by December 1, 2023, on potential uses and impacts of blockchain, including impacts on existing industries, utilities, demand for electricity, and demand for computer processing capacity, and recommended policies that will facilitate the development of blockchain applications and the sector overall in Washington, grow the 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.

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

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

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.