H-3801.1

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**HOUSE BILL 2604**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Young, Tarleton, Smith, Slatter, and Hudgins

AN ACT Relating to fostering economic growth in Washington by supporting a certain regulatory environment for blockchain and distributed ledger technology solutions; creating new sections; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that Washington is well positioned to be the home of the next generation of private sector leadership in blockchain and distributed ledger technology solutions if it is among the first states to create a stable, clear, and welcoming regulatory environment. The legislature acknowledges that it has adopted a statement of intent under RCW 19.400.010 to encourage the development of distributed ledger technology. Therefore, the legislature intends to create a public-private partnership through a bicameral, lawmaker-led work group to collaborate with industry on improving the regulatory environment in such a way as to maximize investment and job creation in Washington. The legislature intends for the economic benefits from these collaborative efforts to be broadly and equitably shared by all Washingtonians through increased trustworthiness of transactions with lower transaction costs.

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 promote economic development, and the development of a stronger information technology sector workforce, through developing policy recommendations to improve state and local regulatory certainty for blockchain and distributed ledger technology solutions in both the private and public sector in Washington.

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

(a) Two senators from each of the two largest caucuses of the senate, appointed by the leader of each respective caucus; and

(b) Two representatives from each of the two largest caucuses of the house of representatives, appointed by the leader of each respective caucus.

(3) The work group must convene an advisory group to provide information, assistance, and input to the work group in its development of policy recommendations as described in subsection (1) of this section. The chair of the work group must appoint a business or trade association representative to the advisory group from each of the following industry sectors:

(a) Application development;

(b) Blockchain-as-a-service;

(c) Health care;

(d) Exchanges and investing;

(e) Energy;

(f) Identity and privacy;

(g) Cryptographic accounting;

(h) Supply chain and logistics;

(i) Telecommunications; and

(j) Manufacturing and maintenance.

(4) 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.

(5) The work group must hold its inaugural meeting by August 1, 2020. The work group must 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.

(6) 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 senate committee services and the house of representatives office of program research.

(7) The expenses of the work group must be paid jointly by the senate and the house of representatives. Work group expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(8) The work group is a class one group under chapter 43.03 RCW. Work group members may be reimbursed for travel expenses in accordance with RCW 44.04.120.

(9) Advisory group members 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 advisory group members is subject to chapter 43.03 RCW.

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

(11) By November 30, 2021, and in compliance with RCW 43.01.036, the work group must submit a report on recommended policies that will facilitate the development of blockchain applications in Washington to the governor and the appropriate economic development and technology committees of the legislature.

(12) This section expires August 1, 2022. The work group is dissolved upon the expiration of this section.

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