

FINAL BILL REPORT

ESSB 5544

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Synopsis as Enacted

Brief Description: Establishing the Washington blockchain work group.

Sponsors: Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Brown, Dozier, Frockt, Hasegawa, Mullet, Rolfes, Short, Wagoner, Wellman and Wilson, L.).

Senate Committee on Environment, Energy & Technology
House Committee on Community & Economic Development

Background: Under current Washington law, blockchain means a cryptographically secured, chronological, and decentralized consensus ledger or consensus database maintained via Internet, peer-to-peer network, or other similar interaction.

There are various uses and applications of blockchain such as digital currency, online voting, medical records, insurance policies, property and real estate records, and supply chain tracking.

Summary: Subject to appropriations, the Washington Blockchain Work Group (work group) is established with the purpose of examining various potential applications for blockchain technology such as computing, banking and other financial services, the real estate transaction process, health care, supply chain management, higher education, and public recordkeeping to help attract and support employees and new businesses with a supportive ecosystem.

The work group is composed of:

- one member from each of the two largest caucuses in the Senate and the House of Representatives;
- the director, or the director's designee, for the Department of Commerce;
- a cybersecurity expert and a privacy expert—each with experience in blockchain technology or its application;
- an individual representing a federally recognized tribe located in Washington; and

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- individuals representing specified associations and organizations.

Experts and individuals representing organizations or associations must be designated by their respective organization or association or the director of the Department of Commerce. Work group membership also includes individuals from specified state agencies serving in an ex officio capacity.

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. Invited representatives are not members of the work group, may not vote, and are not subject to an appointment process. There is no limit on the number of invited individuals acting in an advisory capacity.

The work group shall hold its first meeting by December 1, 2022, and elect a chair from its members at that meeting. A public comment period must be provided at every work group meeting. Staff support for the work group must be provided by the Department of Commerce.

By December 1, 2023, the work group must submit a report to the Governor and the appropriate committees of the Legislature 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.

The work group dissolves January 1, 2024.

Votes on Final Passage:

Senate	48	0	
House	94	4	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 9, 2022