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HOUSE JOINT RESOLUTION NO. 30

Offered January 12, 2022

Prefiled January 11, 2022

Establishing a joint subcommittee to study the emergence and integration of blockchain technology and cryptocurrency in the economy of the Commonwealth. Report.

Patron—Delaney

Referred to Committee on Rules

WHEREAS, the Commonwealth has a tradition of excellence in promoting, assisting, and leading the development of traditional and emerging industries, utilizing coordination with both large enterprises and entrepreneurs; and

WHEREAS, it is in the interest of the Commonwealth to continue this excellence in promoting, assisting, and leading the development of technology for use in both private and public capacities; and

WHEREAS, blockchain technology, defined by the Merriam-Webster.com Dictionary as "a digital database containing information (such as records of financial transactions) that can be simultaneously used and shared within a large decentralized, publicly accessible network," has already begun to affect the Commonwealth and will continue to have a profound impact on government records, voter protection, health care, education, manufacturing, financial transactions, and other aspects of life; and

WHEREAS, blockchain technology has the potential to change the landscape of virtually every recorded transaction, including identity-based transactions of state government; and

WHEREAS, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine, Maryland, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, Ohio, Tennessee, Vermont, and Wyoming are among the states that have already passed legislation concerning blockchain technology; and

WHEREAS, in order to promote a healthy, robust economy, it is the duty of the Commonwealth to continually examine new and emerging technology opportunities; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the emergence and integration of blockchain technology and cryptocurrency in the economy of the Commonwealth. The joint subcommittee shall identify research and economic development opportunities with the goal of creating a statewide, comprehensive, and coordinated strategy and a potential regulatory framework relating to blockchain technology. The joint subcommittee shall have a total membership of 20 members that shall consist of 10 legislative members, seven nonlegislative citizen members, and three ex officio members. Members shall be appointed as follows: five members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; five members of the Senate to be appointed by the Senate Committee on Rules; two nonlegislative citizen members who are members of the technology industry and have demonstrated knowledge of blockchain technology and its uses to be appointed by the Speaker of the House of Delegates; two nonlegislative citizen members who are members of the technology industry and have demonstrated knowledge of blockchain technology and its uses to be appointed by the Senate Committee on Rules; and two nonlegislative citizen members who are members of the technology industry and have demonstrated knowledge of blockchain technology and its uses and one nonlegislative citizen member representing local government to be appointed by the Governor. The Chief Information Officer of the Commonwealth, the Secretary of Commerce and Trade, and the Secretary of Education or their designees shall serve ex officio with nonvoting privileges. Nonlegislative citizen members of the joint subcommittee shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings pursuant to § 2.2-2823. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required. The joint subcommittee shall elect a chairman and vice-chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall analyze and consider (i) economic development opportunities in the Commonwealth available through the utilization of blockchain technology; (ii) different types of blockchain technology and the feasibility of economic development for each type; (iii) the creation of a statewide, comprehensive, and coordinated strategy to encourage commercial activity in the blockchain technology sector; (iv) opportunities for deployment of blockchain technology in state

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59 and local government; (v) strategies to incentivize the development of blockchain companies in the
60 Commonwealth; (vi) a potential regulatory structure; and (vii) the impacts of blockchain technology on
61 poor and working class families.

62 Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates.
63 Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be
64 provided by the Division of Legislative Services. Technical assistance shall be provided by the Virginia
65 Information Technologies Agency. All agencies of the Commonwealth shall provide assistance to the
66 joint subcommittee for this study, upon request.

67 The joint subcommittee shall be limited to four meetings for the 2022 interim and four meetings for
68 the 2023 interim, and the direct costs of this study shall not exceed \$26,000 for each year without
69 approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require
70 the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a
71 companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall
72 be required.

73 No recommendation of the joint subcommittee shall be adopted if a majority of the House members
74 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the
75 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the
76 joint subcommittee.

77 The joint subcommittee shall complete its meetings for the first year by November 30, 2022, and for
78 the second year by November 30, 2023, and the chairman shall submit to the Division of Legislative
79 Automated Systems an executive summary of its findings and recommendations no later than the first
80 day of the next Regular Session of the General Assembly for each year. Each executive summary shall
81 state whether the joint subcommittee intends to submit to the General Assembly and the Governor a
82 report of its findings and recommendations for publication as a House or Senate document. The
83 executive summaries and reports shall be submitted as provided in the procedures of the Division of
84 Legislative Automated Systems for the processing of legislative documents and reports and shall be
85 posted on the General Assembly's website.

86 Implementation of this resolution is subject to subsequent approval and certification by the Joint
87 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
88 delay the period for the conduct of the study, or authorize additional meetings during the 2022 or 2023
89 interim.