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**HOUSE JOINT RESOLUTION NO. 153**

Offered January 23, 2018

*Establishing a joint subcommittee to study the potential implementation of blockchain technology in state recordkeeping, information storage, and service delivery. Report.*

Patrons—Davis and Freitas

Unanimous consent to introduce

Referred to Committee on Rules

WHEREAS, the development of distributed databases and ledgers protected against revision by publicly verifiable open source cryptographic algorithms and protected from data loss by distributed records sharing (blockchain technology) has reached a point where the opportunities for efficiency, cost savings, and cybersecurity deserve legislative study; and

WHEREAS, blockchain technology is a promising way to facilitate a transition to more efficient government service delivery models and economies of scale, including facilitating safe, paperless transactions and permanent recordkeeping immune to cyber-attacks and data destruction; and

WHEREAS, blockchain technology has the potential to reduce the prevalence of government's disparate computer systems, databases, and custom-built software interfaces, thus reducing costs associated with maintenance and implementation and allowing more regions of the state to participate in electronic government services; and

WHEREAS, nations and municipalities across the world are studying and implementing government reforms that bolster trust and reduce bureaucracy through verifiable open source blockchain technology in a variety of uses, including banking, medical records, land records, elections and voter registration records, and property auctions; and

WHEREAS, blockchain technology has shown its potential to be a foundational technology that can fundamentally change the manner in which trust and security are established in online transactions; and

WHEREAS, Virginia has the second highest concentration of information technology workers in the nation; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the potential implementation of blockchain technology in state recordkeeping, information storage, and service delivery. The joint subcommittee shall have a total membership of 13 members that shall consist of eight legislative members, four nonlegislative citizen members, and one ex officio member. 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; three 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; and two nonlegislative citizen members who are members of the technology industry and have demonstrated knowledge of blockchain technology to be appointed by the Senate Committee on Rules. The Chief Information Officer of the Commonwealth or his designee 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. 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 committee shall research, analyze, and consider (i) opportunities and risks associated with using blockchain technology in state recordkeeping, information storage, and service delivery; (ii) different types of blockchain technology and the feasibility of implementing each type; (iii) projects and use cases currently under development in other states and nations and how those cases could be applied in Virginia; (iv) how early adoption of blockchain technology may stimulate interest and growth in Virginia's information technology industry; and (v) how current laws in the Commonwealth can be modified to support blockchain technology.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Virginia

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59 Information Technologies Agency. All agencies of the Commonwealth shall provide assistance to the  
60 joint subcommittee for this study, upon request.

61 The joint subcommittee shall be limited to four meetings for the 2018 interim. No money shall be  
62 budgeted for the direct costs of this study. Instead, a proposed budget shall be created and made public  
63 and the Office of the Clerk of the House of Delegates shall create a cryptocurrency wallet to accept  
64 private donations to fund the study. Approval for unbudgeted nonmember-related expenses shall require  
65 the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a  
66 companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall  
67 be required.

68 No recommendation of the joint subcommittee shall be adopted if a majority of the House members  
69 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the  
70 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the  
71 joint subcommittee.

72 The joint subcommittee shall complete its meetings by November 30, 2018, and the chairman shall  
73 submit to the Division of Legislative Automated Systems an executive summary of its findings and  
74 recommendations no later than the first day of the 2019 Regular Session of the General Assembly. The  
75 executive summary shall state whether the joint subcommittee intends to submit to the General  
76 Assembly and the Governor a report of its findings and recommendations for publication as a House or  
77 Senate document. The executive summary and the report shall be submitted as provided in the  
78 procedures of the Division of Legislative Automated Systems for the processing of legislative documents  
79 and reports and shall be posted on the General Assembly's website.

80 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
81 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or  
82 delay the period for the conduct of the study, or authorize additional meetings during the 2018 interim.