

Draft Only
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**SUMMARY of
PROCEEDINGS**



**SELECT COMMITTEE ON BLOCKCHAIN, FINANCIAL TECHNOLOGY AND
DIGITAL INNOVATION TECHNOLOGY**

COMMITTEE MEETING INFORMATION

September 23-24, 2020 | 8:30 AM

Online only

This meeting was held remotely due to the COVID-19 health emergency.
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Chris Rothfuss, Co-Chairman
Representative Jared Olsen, Co-Chairman
Senator Dan Dockstader
Senator Ogden Driskill
Senator Tara Nethercott
Representative Mike Greear
Representative Tyler Lindholm
Representative Mike Yin
Matthew D. Kaufman
Caitlin Long
Joel Revill

LEGISLATIVE SERVICE OFFICE STAFF

David Hopkinson, Staff Attorney
MaryBeth Oatsvall, Legislative Editor
Sheri Briggs, Bill Processing Specialist
Clarissa Nord, Associate Research Analyst

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EXECUTIVE SUMMARY

The Select Committee on Blockchain, Financial Technology and Digital Innovation Technology (Committee) met for two days remotely to discuss interim work. The Committee received updates from the decentralized autonomous organizations (DAO), Know Your Customer (KYC)/Anti-Money Laundering (AML), and digital identity (DI) working groups. The Committee also discussed uniform electronic wills, intrastate crowdfunding exemptions, public benefit corporations, commercial filing system updates, data trusts, blockchain smart contracts, and autonomous vehicles.

ANNOUNCEMENTS

Representative Lindholm and Ms. Caitlin Long discussed the 2020 Wyoming Blockchain Stampede. The University of Wyoming hosts the virtual event, and it consists of several events scheduled to be held from September 23 to October 24, 2020. The event also features speakers and workshops and contributes to the overall development of blockchain technology.

CALL TO ORDER (WEDNESDAY, SEPTEMBER 23, 2020)

Co-Chairman Rothfuss called the meeting to order at 8:30 AM. The following sections summarize the Committee proceedings by topic. Please refer to [Appendix 1-01](#) to review the Committee Meeting Agenda and [Appendix 1-03](#) to review public comment requests. Video of the meeting is available on the Wyoming Legislature's [YouTube](#) page.

WORKING GROUP UPDATES

DAO Working Group

Co-Chairman Olsen provided brief comments regarding the activities of the DAO working group. Matt Kaufman, Hathaway & Kunz, LLP, informed the Committee how draft legislation would correspond with Wyoming's current LLC statutes. Christopher Allen, Blockchain Commons, noted alternatives regarding the traditional ways equity is shared in corporations and commented on the concept of managed shared resources. Aaron Wright, Associate Professor of Law, Cardozo Law, mentioned streamlining provisions and exploring a new subpart to the Wyoming LLC Act. The working group stated they will continue their work and develop draft legislation for the Committee to consider at a future meeting.

KYC/AML Working Group

Representative Lindholm updated the Committee on the KYC/AML working group and noted various banking statutes and new opportunities that may be available in Wyoming. The Committee considered how the implementation of data trusts could better facilitate the transfer of KYC/AML data. Mr. Allen commented on federal law and how it might affect the working group's progress.

Committee Action

Representative Lindholm moved to draft legislation for KYC/AML and directed LSO to work with the Division of Banking, the motion was seconded and passed.

DI Working Group

Dazza Greenwood, founder of CIVICS.com, lead the Committee's conversation regarding digital identity and summarized the working group's research regarding current Wyoming Statutes and potential language to include in draft legislation. Mr. Greenwood further reviewed the *Digital Identity Drafting Guidance* report ([Appendix 3-01](#)). The Committee discussed the difference between personal and organizational digital identity and also noted the working group studied federal frameworks in relation to digital identity.

Various members of the working group and Committee provided testimony regarding their thoughts on the proposed digital identity definition and also discussed next steps in drafting legislation.

Public Comment

The following individual provided public comment:

Brenden Maher, MIT Media Lab Alumnus, Computer Scientist

Committee Action

Representative Lindholm moved to direct LSO to draft legislation regarding digital identity pursuant to the drafting guidance presented during the meeting. The motion was seconded and passed.

UNIFORM ELECTRONIC WILLS

Introduction of bill draft

David Hopkinson, LSO, provided an overview of 21LSO-0029 v.06 – Uniform Electronic Wills Act (**Appendix 5-01**). Mr. Hopkinson noted the bill draft incorporates the Uniform Electronic Wills Act into Wyoming law and provides for modification or revocation of existing wills by electronic wills. Co-Chairman Olsen provided background about the Uniform Electronic Wills Act and also mentioned conversations have been held with the Wyoming Bar Association. The Committee discussed the feasibility of sponsoring this bill draft this interim and the difference between contractual and testamentary capacity.

Public Comment

The following individual provided public comment:

Mr. Maher

Committee Action

After Committee discussion, Co-Chairman Rothfuss directed LSO to collaborate with Chris Land, General Counsel, Division of Banking, on the bill draft.

INTRASTATE CROWDFUNDING EXEMPTIONS

Introduction of bill draft

Mr. Hopkinson provided an overview of 21LSO-0156 v.04 – Intrastate crowdfunding exemption-amendments (**Appendix 6-01**). Mr. Hopkinson mentioned this version of the bill draft increases the dollar amount qualifying for an exemption from securities regulation and removes the dollar limit on funding received from non-accredited investors.

Public Comment

The following individuals provided public comment:

Brock Pierce, Entrepreneur and Investor

Kelly Janes, Compliance Officer, Wyoming Secretary of State's Office (SOS)

Kodi Gerhold, Education & Outreach Coordinator, Wyoming SOS

Committee Action

After Committee discussion, Representative Lindholm moved the Committee to sponsor 21LSO-0156 v.04. The motion was seconded and passed unanimously by a roll call vote. The Committee adopted amendments to increase the maximum investment by a non-accredited purchaser from \$10,000 to \$35,000 and to require an issuer provide certain information in written form to the secretary of state on request.

PUBLIC BENEFIT CORPORATIONS

Mr. Kaufman summarized public benefit corporations and provided several examples of existing public benefit corporations. Mr. Kaufman noted public benefit corporations often prioritize charitable and other interests outside of company shareholders.

Scott Moeller, mSHIFT and Jody Levin, Levin Strategic Resources, expressed support for the proposed legislation and summarized their amendment recommendations ([Appendix 7-02](#)).

Introduction of bill draft

Mr. Hopkinson provided an overview of 21LSO-0160 v0.4 – For-profit public benefit corporations ([Appendix 7-01](#)). Mr. Hopkinson stated the amendments are consistent with Wyoming’s corporate law. The bill additionally provides for for-profit public benefit corporations, specifies requirements and applicability, and imposes duties on boards of directors.

Mr. Kaufman summarized his proposed amendments ([Appendix 7-03](#)).

Public Comment

The following individuals provided public comment:

Mr. Allen
Dean Sheaffer, American World Money

Committee Action

After Committee discussion, Co-Chairman Rothfuss moved to table 21LSO-0160 v0.4 and incorporate the amendments passed into the bill draft for the Committee’s November meeting. The motion was seconded and passed.

The Committee recessed at 5:49 PM.

CALL TO ORDER (THURSDAY, SEPTEMBER 24, 2020)

Co-Chairman Olsen called the meeting to order at 8:36 AM.

DIVISION OF BANKING UPDATES

Albert Forkner, Commissioner, Division of Banking, presented a summary of the Out-of-State State Bank Charter Conversion Bill Draft ([Appendix 9-01](#)). Mr. Forkner mentioned there are several institutions who want to move charters to Wyoming, but the current Wyoming statute cannot convert an out-of-state state bank charter. The draft bill permits the conversion of out-of-state state banks and further requires the charter to be housed in Wyoming. Mr. Land estimated the number of jobs that would be created if the Legislature enacts the bill.

Public Comment

The following individuals provided public comment:

Scott Meier, Scott W. Meier P.C.
Mr. Pierce

Committee Action

After Committee discussion, Senator Nethercott directed LSO to finalize the bill draft and work with Mr. Land. The motion was seconded and passed.

Subsequent to the discussion of the Out-of-State State Bank Charter Conversion bill draft, Mr. Land provided an overview of the Division of Banking's memo, *Further Clarifications to Wyoming's Commercial Laws Governing Digital Assets* (**Appendix 9-02**). Mr. Land requested the preparation of a bill draft within the next several weeks in advance of the Committee's November meeting. Senator Nethercott motioned to direct LSO to draft a bill in accordance with the recommendations presented in the Division of Banking's memo. The motion was seconded and passed.

COMMERCIAL FILING SYSTEM UPDATES**Introduction of bill draft**

Secretary of State Edward Buchanan provided a summary of their research regarding the implementation of a commercial filing system. Secretary Buchanan noted their business filings have increased greatly, even during the COVID-19 health emergency. Specifically, Secretary Buchanan explained there has been a 75% increase in filings this year. Karen Wheeler, Deputy Secretary of State, provided further detail about the number of filings submitted this year for businesses that are qualified to operate in Wyoming. Secretary Buchanan additionally provided information about funding options, as well as the project timeline and possibility of posting a request for proposal (RFP).

Public Comment

The following individuals provided public comment:

Pete Teigen, IBM, provided a timeline to implement a blockchain-enabled commercial filing system for the Wyoming Secretary of State's Office (**Appendix 10-02**).
Andrea Tinianow, Consultant
Mr. Maher

Committee Action

Co-Chairman Rothfuss moved to direct LSO to amend 21LSO-0027 v.0.4 – commercial filing system update (**Appendix 10-01**) to add a two-phase approach for the Secretary of State's Office and capture the Committee's discussion concerning funding for the RFP and system implementation. The motion was seconded and passed.

DATA TRUSTS DISCUSSION

Representative Yin led the Committee's data trusts discussion and mentioned how data trusts might be useful for corporate entities in Wyoming. Representative Yin noted how data trusts legislation could incentivize companies to advertise to consumers that they have the ability to protect customers' data.

Public Comment

The following individuals provided public comment:

Brittany Kaiser, Founder, Own Your Data Foundation
Carla Reyes, Assistant Professor of Law, Southern Methodist University
Mr. Maher

Committee Action

Representative Lindholm motioned to form a working group with Mr. Maher, Ms. Reyes, and Ms. Kaiser regarding a data definition. Chairman Olsen requested Representative Yin add them to the existing working group.

BLOCKCHAIN SMART CONTRACTS

Lee Stein, Chairman of Spiral Health Wyoming Inc., introduced his colleagues, Marcus Shingles and Henning Diedrich. Mr. Shingles provided an overview of Henning Diedrich’s work in the blockchain smart contracts field. Mr. Diedrich then presented to the Committee about Lexon code and its relation various legal principles (**Appendix 13-01**). Mr. Diedrich also provided an overview of how Lexon can facilitate placing contracts and wills on the blockchain.

Public Comment

The following individuals provided public comment:

Nick Spanos, Chairman, Blockchain Center
Mr. Maher

AUTONOMOUS VEHICLES DISCUSSION AND REVIEW OF LEGISLATION

Introduction of bill draft

Co-Chairman Olsen provided an update on the introduction of 21LSO-0012 v0.5 – Autonomous Vehicles (**Appendix 14-01**) to the Joint Transportation Committee. General K. Luke Reiner, Director, WYDOT and Jesse Kirchmeier, Emergency Response Planner, WYDOT, discussed the Autonomous Vehicle Working Group and mentioned potential edits for the proposed legislation. Mr. Kirchmeier will update the Committee after the Working Group meets mid-October. After the Committee and the Joint Transportation Committee have time to review the working group’s recommendations, the Committee and WYDOT will collaborate to determine how the legislation will move forward.

Public Comment

The following individual provided public comment:

Katharine Wilkinson, Esq., KKW Consulting, LLC

MEETING ADJOURNMENT

There being no further business, Co-Chairman Olsen adjourned the meeting at 5:58 PM.

Respectfully submitted,

Co-Chairman Jared Olsen

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-03	Announcements	Public Comment	LSO
3-01	Working Group updates	Digital Identity Drafting Guidance	DI Working Group
5-01	Uniform Electronic Wills	21LSO-0029 v0.6 Uniform electronic wills act.	LSO
6-01	Intrastate Crowdfunding Exemptions	21LSO-0156 v0.4 Intrastate crowdfunding exemption-amendments.	LSO
7-01	Public Benefit Corporations	21LSO-0160 v0.4 For-profit public benefit corporations.	LSO
7-02	Public Benefit Corporations	mSHIFT Testimony - updated	Scott Moeller, CEO, mSHIFT Inc.
7-03	Public Benefit Corporations	Proposed Amendments	Matthew Kaufman, Hathaway & Kunz, LLP
9-01	Division of Banking updates	Out-of-State Bank Charter Conversion Bill Draft	Division of Banking
9-02	Division of Banking updates	Overview of UCC Clarifications	Division of Banking
10-01	Commercial Filing System update	21LSO-0027 v0.4 Commercial filing system update.	LSO
13-01	Blockchain Smart Contracts	Lexon Executable Law Presentation	Henning Diedrich
14-01	Autonomous Vehicles discussion and review of legislation	21LSO-0012 v0.5 Autonomous vehicles.	LSO