

SUMMARY *of* PROCEEDINGS



SELECT COMMITTEE ON BLOCKCHAIN, FINANCIAL TECHNOLOGY AND DIGITAL
INNOVATION TECHNOLOGY

COMMITTEE MEETING INFORMATION

January 24-25, 2022 | 8:30 AM
Coe Library, Room 506
1000 E. University Ave.
Laramie, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Chris Rothfuss, Co-chairman
Representative Jared Olsen, Co-chairman
Senator Dan Furphy
Senator R. J. Kost
Senator Tara Nethercott
Representative Clark Stith
Representative Cyrus Western
Representative Mike Yin
Matthew D. Kaufman (Excused Day One)
Joel Revill
Caitlin Long

LEGISLATIVE SERVICE OFFICE STAFF

David Hopkinson, Staff Attorney
Clarissa Nord, Associate Research Analyst
Emily Wangen, Legislative Editor

OTHERS PRESENT AT MEETING

Please refer to **Appendix 1-02** to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at www.wyoleg.gov.

EXECUTIVE SUMMARY

The Select Committee on Blockchain, Financial Technology and Digital Innovation Technology met for two days in Laramie to complete the Select Committee's interim work. The Select Committee considered bill drafts on insurance investments, the Wyoming Chancery Court and court filings, deregulated industrial power zones, digital identity, Decentralized Autonomous Organizations, genetic information privacy, and virtual currency sales and use taxes. The Select Committee also received information on open banking and updates from the Chancery Court. The meeting can be viewed on YouTube – Select Committee on Blockchain, Financial Technology & Digital Innovation Tech., Jan. 24, 2022 **(AM) (PM)** and Jan. 25, 2022 **(AM) (PM)**.

The Select Committee sponsored the following bill drafts for the 2022 budget session:

- 22LSO-0067 – Insurance investment amendments
- 22LSO-0258 – Deregulated industrial power zones
- 22LSO-0203 – Digital identity protection
- 22LSO-0063 – Decentralized autonomous organizations, as amended
- 22LSO-0291 – Genetic information privacy-amendments, as amended

MONDAY, JANUARY 24, 2022

CALL TO ORDER (DAY ONE)

Chairman Olsen called the meeting to order at 8:30 a.m. The following sections summarize the Committee proceedings by topic. Please refer to **Appendix 1-01** to review the Committee Meeting Agenda.

WYOMING CHANCERY COURT/E-FILING SYSTEM

Chancery Court Updates

Benjamin Burningham, Wyoming Chancery Court Director and Chief Counsel, presented updates on the Court's operations since the last meeting. He testified that the Wyoming Supreme Court has amended the Wyoming Rules of Civil Procedure to allow the Court to adjudicate forum selection clause disputes to be resolved in the Chancery Court (**Appendix 2-03**) and that the Court is working with its vendor to have auto-acceptance for filings before the e-filing expands to select District Courts this summer. Mr. Burningham also testified that the Court has one case pending and that the Chancery Court is currently based out of the Supreme Court in Cheyenne but will relocate to Casper once the state office building is completed and a full-time judge is appointed.

Elisa Butler, State Court Administrator at the Wyoming Supreme Court, discussed funding for the Court and whether the two bill drafts are necessary given the rule changes.

Public Comment

Brenden Maher, member of the Digital Identity and DAO working groups, provided comment.

Committee Action

The Select Committee tabled bill drafts 22LSO-0202 (**Appendix 2-01**) and 22LSO-0339 (**Appendix 2-02**) indefinitely.

OPEN BANKING

Legislative Service Office

Clarissa Nord, LSO Associate Research Analyst, presented research on open banking and data privacy initiatives in Canada, South Korea, and New Zealand (**Appendix 3-01**).

The Select Committee discussed financial data privacy issues associated with the Bank Secrecy Act.

Public Comment

Nich Rotchadl, Division of Banking General Counsel, answered questions from the Select Committee on open banking and data sharing between financial institutions and the federal government.

Scott Meier, Wyoming Bankers Association, and Mr. Maher provided comment.

ALLOWABLE INVESTMENTS

Introduction of 22LSO-0067 – Insurance investment amendments

Mr. Hopkinson walked through bill draft 22LSO-0067 – Insurance investment amendments (**Appendix 5-01**), which expands the investment options for insurance companies.

Wyoming Department of Insurance

Insurance Commissioner Jeff Rude and Linda Johnson, Deputy Commissioner, took questions from the Select Committee and discussed specific provisions of the bill draft.

Public Comment

Raymond Brooks, CEO at Azure Reinsurance Holdings Ltd., provided comment and responded to questions from the Select Committee regarding the reinsurance industry.

Committee Action

Representative Stith moved for the Select Committee to sponsor 22LSO-0067. The motion passed with Senator Nethercott excused. The Committee adopted no amendments.

DEREGULATED INDUSTRIAL POWER ZONES

Consider Bill Draft 22LSO-0258 – Deregulated industrial power zones

Mr. Hopkinson walked through bill draft 22LSO-0258 – Deregulated industrial power zones (**Appendix 7-01**), and described the changes in the new version of the bill that permits boards of County Commissioners to petition the Board of Land Commissioners to designate land where the customer is exempt from paying the retail rate of a public utility.

Wyoming Utility Providers and Regulators and Wyoming Office of State Lands and Investments

Representatives from Wyoming utility providers, the Wyoming Public Service Commission, the Office of State Lands and Investments (OSLI), and the Wyoming Energy Authority provided comment on deregulated industrial power zones.

Christopher Petrie, Public Service Commissioner, and Jason Crowder, OSLI Deputy Director, testified that they did not have any proposals or questions on the bill.

Glen Murrell, Executive Director at the Wyoming Energy Authority, testified that the intention of the bill is clearly aligned with the Authority's energy strategy.

Bruce Asay, Montana-Dakota Utilities Company, spoke in opposition to the bill.

Mark Stege, Vice President of Operations Cheyenne Light at Black Hills Energy (BHE); David Bush, BHE State Government Affairs Manager; Richard Garlish, Vice President and General Counsel at Rocky Mountain Power; and Shawn Taylor, Wyoming Rural Electric Association, provided comment and testified to how they believe the bill would impact the state's utility industry.

Mr. Taylor provided the Select Committee with written testimony from the Wheatland Rural Electric Association (**Appendix 7-02**).

Public Comment

Shannon Anderson, Powder River Basin Resource Council; Mr. Maher; and Sean Murphy, cryptocurrency advisor and investor, provided comment.

Committee Action

Co-Chairman Rothfuss moved for the Select Committee to sponsor 22LSO-0258. The motion passed with Representative Yin voting no and Senator Nethercott excused. The Select Committee adopted no amendments.

The Committee voted on the bill again the next day to correct a procedural error. On the revote, the motion passed with Senator Nethercott and Representative Yin voting no. The Committee adopted no amendments.

DIGITAL IDENTITY PROTECTION

Consider 22LSO-0203 – Digital identity protection

Mr. Hopkinson walked through bill draft 22LSO-0203 – Digital identity protection (**Appendix 9-01**), which expands unlawful impersonation through electronic means to include impersonation of personal or organizational digital identity.

Public Comment

Mr. Maher, Dazza Greenwood, Digital Identity and DAOs working group member; Dr. Allen Gee, Wyoming Health Innovation Living Laboratory, with Darnell O'Donnell, Continuum Loop and Secours; and Jonathan Stokes, WyoSky DAO, provided comment.

Committee Action

Senator Kost moved for the Select Committee to sponsor 22LSO-0203. The motion passed with Senator Nethercott excused. The Committee adopted no amendments to the bill.

DAY ONE ADJOURNMENT

Chairman Olsen adjourned the meeting for the day at 5:45 p.m. until 8:30 a.m. the following day.

TUESDAY, JANUARY 25, 2022

CALL TO ORDER (DAY TWO)

Chairman Rothfuss called the meeting to order at 8:40 a.m.

DECENTRALIZED AUTONOMOUS ORGANIZATIONS

DAO Updates

Karen Wheeler, Wyoming Deputy Secretary of State, presented information regarding Decentralized Autonomous Organizations (DAOs) that have registered as Limited-Liability Corporations (LLCs) in Wyoming since July 1, 2021, when the law allowing this registration went into Effect. She testified that there are 130 active DAOs in the state as of Dec. 31, 2021, that have brought in \$12,800 in revenue.

Consider 22LSO-0063 – Decentralized autonomous organizations-amendments

Mr. Hopkinson provided an explanation of 22LSO-0063 – Decentralized autonomous organizations-amendments (**Appendix 12-01**), which amends the current DAO statute.

Mr. Kaufman provided comments on the bill. The Select Committee heard from Deputy Secretary Wheeler, who proposed changes to the bill.

Public Comment

Mr. Maher; and Dane Lund, DeFi Alliance; Mr. Stokes with Dane Walter, WyoSky DAO, provided comment. Mr. Lund presented an amendment to the bill establishing default rules of entry or withdrawal of members (**Appendix 12-02**).

Committee Action

Co-Chairman Olsen moved for the Select Committee to sponsor 22LSO-0063. The motion passed with Senator Nethercott excused. The Committee adopted the following amendments:

Page 4	Delete subsection (c)
Page 6	Incorporate language allowing the secretary of state to administratively dissolve a DAO.
Page 9	Incorporate the language suggested by Mr. Lund in ATTACHMENT ?? And conform as needed
Pages 10-11	Incorporate the language in the staff comment.

GENETIC INFORMATION PRIVACY

Consider 22LSO-0291 – Genetic information privacy-amendments

Mr. Hopkinson walked through bill draft 22LSO-0291 – Genetic information privacy-amendments (**Appendix 13-01**), and discussed the amendments that the Select Committee adopted at their last meeting. Mr. Hopkinson stated that this version differs from the previous version presented at the Select Committee's December meeting. It merges the new language with the current statute instead of replacing it with the adopted language.

Public Comment

Jacquie Cooke Haggarty, Vice President and Legal and Privacy Officer at 23andMe, and Ritchie Engelhardt, Ancestry head of government affairs, presented information regarding the registration and express consent processes for users of their direct-to-consumer genetic testing services (**Appendix 13-03**). They also proposed amendments to the bill draft (**Appendix 13-02**).

Committee Action

Co-Chairman Olsen moved for the Select Committee to sponsor 22LSO-0291. The motion passed with Senator Nethercott excused. The Committee adopted the following amendments:

Incorporate the definitions of “Genetic information” and “Genetic testing” into the definitions of “Genetic data” and “Genetic analysis” and make any conforming amendments needed throughout the bill. Include “including any familial inferences therefrom” on Page 7 line 7. Change “consumer” to “individual” as needed to conform with the changes.

VIRTUAL CURRENCY AND GOVERNMENT OPERATIONS**Introduction of Bill Draft 22LSO-0251 – Virtual currency and government operations**

Representative Ocean Andrew introduced bill draft 22LSO-0251 – Virtual currency and government operations (**Appendix 16-01**), which is his personal bill. The bill draft allows for the remittance of state and local sales and use taxes using virtual currency or through the operation of a smart contract.

Representative Andrew testified that this would be beneficial to small business owners, noting that they may not have a full-time accountant and currently keep sales tax amounts in their bank accounts until the end of their business period.

He added that Ohio had allowed for the remittance of sales taxes with cryptocurrency using a third-party, adding that the program was not successful.

Wyoming Department of Revenue

Brenda Henson, Director of the Wyoming Department of Revenue (DoR), and Teri Lucero, DoR Excise Tax Division Administrator, provided comment on the bill. Director Henson said that the Department will begin studying the topic and raised concerns she has with the bill.

Public Comment

Bill Vajda, Chief Information Officer and Director at the Wyoming Enterprise Technology Services; Tyler Lindholm, former Wyoming Representative; Scott Moeller, American CryptoFed DAO; John Drechny, Merchant Advisory Group; and Mr. Stokes provided comment.

Mr. Moeller (**Appendix 16-02**) and Mr. Drechny (**Appendix 16-03**) provided written testimony to the Select Committee.

Committee Action

The Select Committee did not take any action on this bill.

ONLINE DATA PRIVACY**Updates on 22LSO-0146 – Wyoming data privacy act**

Chairman Rothfuss described the progress the Select Committee has taken during the interim on 22LSO-0146 – Wyoming data privacy act (**Appendix 17-01**), and proposed that the Select Committee table the bill until the next interim.

Public Comment

Mr. Greenwood; Josh Fisher, Alliance for Automotive Innovation; and Mr. Maher provided comment.

Committee Action

The Select Committee tabled 22LSO-0146 until the next interim.

GENERAL PUBLIC COMMENT

Mr. Lindholm, State Policy Director for U.S. Senator Cynthia Lummis, testified and provided a summary of a bill regarding digital assets that Senator Lummis is preparing to introduce in the Senate.

Mr. Stokes provided general comments to the Select Committee.

MEETING ADJOURNMENT

There being no further business, Chairman Rothfuss adjourned the meeting at 5:30 p.m. This is the final time the Select Committee will meet until the 2022 interim.

Respectfully submitted,

Representative Jared Olsen

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	Legislative Service Office (LSO)
1-02		Sign-In Sheet	LSO
2-01	Wyoming Chancery Court/E-Filing System	22LSO-0202 v0.3 Chancery court jurisdiction amendments.	LSO
2-02	Wyoming Chancery Court/E-Filing System	22LSO-0339 v0.4 Court filings - prohibiting rejection.	LSO
2-03	Wyoming Chancery Court/E-Filing System	Order Amending Rules 2, 3, and 4 of the Wyoming Rules of Civil Procedure for the Chancery Court	LSO
3-01	Open Banking	Other Countries' Open Banking and Data Privacy Initiatives RM	LSO
5-01	Allowable Investments	22LSO-0067 v0.6 Insurance investment amendments.	LSO
7-01	Deregulated Industrial Power Zones	22LSO-0258 v0.8 Deregulated industrial power zones.	LSO
7-02	Deregulated Industrial Power Zones	WREA Written Testimony	Wheatland Rural Electric Association
9-01	Digital Identity Protection	22LSO-0203 v0.6 Digital identity protection.	LSO
12-01	Decentralized Autonomous Organizations	22LSO-0063 v0.7 Decentralized autonomous organizations-amendments.	LSO
12-02	Decentralized Autonomous Organizations	Dane Lund-Written Testimony	Dane Lund, Alliance DAO Core Contributor
12-03	Decentralized Autonomous Organizations	LexDAO Materials	LexDAO

13-01	Genetic Information Privacy	22LSO-0291 v0.7 Genetic information privacy-amendments.	LSO
13-02	Genetic Information Privacy	Comments and Proposed amendments on 22LSO-0291	23andMe.com and Ancestry.com
13-03	Genetic Information Privacy	Kit Reg and Consent Flow	23andMe.com
16-01	Virtual Currency and Government Operations	22LSO-0251 v0.6 Virtual currency and government operations.	LSO
16-02	Virtual Currency and Government Operations	American CryptoFed Written Testimony	American CryptoFed DAO
17-01	Online Data Privacy	22LSO-0146 v0.7 Wyoming data privacy act.	LSO
20-00		MAG Written Testimony	Merchant Advisory Group