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**SUMMARY of
PROCEEDINGS**



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

COMMITTEE MEETING INFORMATION

November 18, 2022 | 8:30 AM
Wyoming State Capitol, W113
200 West 24th Street
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Chris Rothfuss, Co-chairman
Representative Jared Olsen, Co-chairman
Senator Dan Furphy
Senator R. J. Kost
Representative Clark Stith
Representative Cyrus Western
Representative Mike Yin
Joel Reville
Catlin Long

COMMITTEE MEMBERS NOT PRESENT

Senator Tara Nethercott
Matthew D. Kaufman

LEGISLATIVE SERVICE OFFICE STAFF

David Hopkinson, Staff Attorney
Clarissa Nord, Program 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 met for one day in Cheyenne to complete its interim work. The Select Committee considered bill drafts regarding digital asset registration, insurance and digital assets, and stable tokens. The Select Committee also received updates from the Wyoming Division of Banking and representatives from TruckCoinSwap. The meeting can be viewed on YouTube – Select Committee on Blockchain, Financial Tech. and Digital Innovation Tech., November 18, 2022-(AM), (AM2), and (PM).

The Select Committee sponsored the following bills for the 2023 General Session:

- 23LSO-0171 – Wyoming digital asset registration act (**Appendix 5-01**)
- 23LSO-0051 – Wyoming stable token act (**Appendix 8-01**)

FRIDAY, NOVEMBER 18, 2022

CALL TO ORDER

Chairman Olsen called the meeting to order at 8:32 a.m. The following sections summarize the Committee proceedings by topic. Please refer to **Appendix 1-01** to review the Committee Meeting Agenda.

OPEN BANKING UPDATES

Representative Western and Co-Chairman Rothfuss provided updates on bill draft 23LSO-0159 – Open banking, which was referred to the Joint Minerals, Business and Economic Development Interim Committee. Co-Chairman Rothfuss reported that the bill was sponsored by the Committee at its October meeting.

Public Comment

Scott Meier, President and CEO of the Wyoming Bankers Association, provided public comment and provided further information regarding the Joint Minerals Committee meeting.

Committee Action

The Select Committee did not take action on this topic.

GENERAL UPDATES

Division of Banking

Jeremiah Bishop, Banking Commissioner, provided updates on potential staffing challenges the Division may experience if the Federal Reserve begins to grant master accounts to Special Purpose Depository Institutions (SPDIs). Commissioner Bishop testified that he anticipates an increase in SPDI applications that could overwhelm the Division if the Federal Reserve takes this action. He further testified that the Division would work to fill the existing vacancies and has considered using the Request for Proposal process to contract with a third party to process SPDI applications.

Public Comment

Mr. Meier provided public comment.

Committee Action

Senator Furphy moved for the Committee to consider 2020 Senate File 140 – Banking division-classification and salary exemption, which was vetoed by the Governor. Mr. Hopkinson introduced the bill and testified that it exempted Division of Banking employees from state personnel classification and compensation provisions. Chairman Olsen ruled the motion out of order as the Select Committee is statutorily required to refer any legislation regarding Title 13 of the Wyoming Statutes to the Joint Minerals, Business and Economic Development Interim Committee, which has completed its 2022 interim meetings. Chairman Olsen and Co-Chairman Rothfuss discussed introducing the bill as an individual bill.

Name Image Likeness Discussion

Representative Yin reported that the working group formed at the Select Committee’s September meeting did not meet. Mr. Revill provided an overview of the issue and suggested that the Select Committee align state trademark laws with the needs of the non-fungible token (NFT) market and current digital asset laws.

Public Comment

Brian Frye, Spears-Gilbert Professor of Law at the University of Kentucky College of Law, and Brenden Maher, member of the Select Committee’s digital identity working group, provided public comment, and proposed legislative actions to the Select Committee.

Committee Action

Chairman Olsen requested the Select Committee consider this topic for interim study in the 2023 interim.

TRUCKCOINSWAP**Jacob Centner, CTO & Founder**

Todd Ziegler, CEO and Founder; Jacob Centner, CTO and Founder; and Philip Schlump, CCO and Founder, provided testimony about their blockchain-based business located in Wyoming and discussed potential ways to market Wyoming to venture groups and other interested parties.

Mr. Ziegler testified that TruckCoinSwap aims to use its utility token to recapture and return annual net revenue to more than one million global transportation companies. Mr. Centner and Mr. Schlump testified that they are seeing others in the industry not recognizing Wyoming as a place for blockchain business and suggested that the state invest in marketing efforts.

Public Comment

Public Comment was not provided on this topic.

Committee Action

The Select Committee did not take action on this topic.

BILL DRAFT: 23LSO-0171 - WYOMING DIGITAL ASSET REGISTRATION ACT

Mr. Hopkinson, LSO Staff Attorney, presented bill draft 23LSO-0171 (**Appendix 5-01**) and highlighted the changes in this version of the bill from the version that was considered at the Select Committee’s September meeting. He testified that the new version allows for the agent of the lawful owner to register the digital asset, requires that digital asset registration is located within the state provided state law does not conflict with federal law, and corrects grammatical errors.

Secretary of State's Office

Karl Allred, Secretary of State, and Karen Wheeler, Deputy Secretary of State, provided comments on the bill draft and updates on Decentralized Autonomous Organization (DAO) LLC, Series LLC, and Utility Token filings with the Office.

Deputy Wheeler testified that she is concerned that the public may be confused about the differences between an “agent” and a “registered agent” and suggested that the bill draft require the usage of a Wyoming registered agent that would need to provide consent to being listed as an entity’s registered agent. Secretary Allred testified that the bill draft would put a strain on the Secretary of State’s Office and could lead to the Office requiring additional employees to carry out its duties.

Christopher Allen, Blockchain Commons

Mr. Allen, Blockchain Commons Founder, testified that he believes that this legislation could be one of the most pivotal laws in the technology as the bill draft would clarify the judicial jurisdiction for digital assets as well as demonstrate control of the asset. Mr. Allen also provided suggestions for further legislative action.

Public Comment

Pamela Norton, Title Chain, provided public comment and written testimony (**Appendix 5-02**), giving recommendations for the bill draft. David Pope, a CPA licensed in Wyoming and Colorado, and Mr. Maher provided public comment.

Committee Action

Co-Chairman Rothfuss moved for the Select Committee to sponsor 23LSO-0171. The motion passed by roll-call vote with Senator Nethercott excused. The Select Committee adopted amendments to remove references to “registered agents” and allow only natural persons who are residents of Wyoming or business entities domiciled in Wyoming to register digital assets. The Committee further amended the bill as follows:

Page 9-lines 1 through 18 Delete entirely.

Page 13-line 5 Delete “The”.

Page 13-lines 6 and 7 Delete entirely.

INSURANCE AMENDMENTS**Bill Draft**

Mr. Hopkinson introduced 23LSO-0347 – Insurance and digital assets (**Appendix 6-01**). He noted that the bill draft has not been through LSO analysis with respect to potential issues with the current draft due to time constraints. Co-Chairman Rothfuss explained the origins of the bill and stated that the bill would allow insurance transactions to be denominated in a non-dollar currency.

Wyoming Department of Insurance

Jeff Rude, Wyoming Insurance Department Commissioner, provided testimony regarding accreditation standards and accounting principles that insurance providers are subject to. He testified that the bill draft,

in its current form, would jeopardize the state’s accreditation by the National Association of Insurance Commissioners.

Max Gasner, Standard Insurance, Inc.

Mr. Gasner provided an overview of his Bitcoin-denominated life insurance company that is currently domiciled in Bermuda. He testified that the legislation would open the door for non-dollar-denominated insurance.

Public Comment

No public comment was provided on this topic.

Committee Action

The Committee moved to table the bill until the next interim and consider it for interim study in the 2023 interim.

BILL DRAFT: 23LSO-0051 - WYOMING STABLE TOKEN ACT

Mr. Hopkinson introduced an updated version of 23LSO-0051 – Wyoming stable token act (**Appendix 8-01**) and presented policy decisions that the Select Committee will need to consider, including how the Wyoming Stable Token would be administered.

Wyoming State Treasurer's Office

Wyoming State Treasurer Curt Meier provided comments on the bill and reiterated his opposition to placing the responsibility to manage the Wyoming Stable Token in the Office of State Lands and Investments or the State Loan and Investment Board.

Public Comment

Scott Moeller and Xiaomeng Zhou, Organizers at American CryptoFed, provided public comment in support of the Wyoming Stable Token Act. Mr. Moeller and Mr. Zhou also provided written testimony (**Appendix 8-03 and Appendix 8-04**).

John Drechny, Merchant Advisory Group, provided public comment in support of the Act and submitted written testimony (**Appendix 8-02**).

Mr. Maher; John Bugnacki, Policy Lead and Counsel at Tacen; Sean Murphy, cryptocurrency advisor and investor; and Mr. Pope provided public comment.

Committee Action

Senator Kost moved for the Select Committee to sponsor 23LSO-0051. The motion passed by roll-call vote with Senator Nethercott excused. The Select Committee adopted amendments to create an authority similar to the structure of the Wyoming Energy Authority, create an executive director position to serve at the discretion of a board, create a new board made up of the chairmen of the Select Committee, the governor, auditor and treasurer or their respective designees, and up to three subject matter experts, make a clear separation of the trust account from the administrative account, allow for the use of revenue from funds prior to reaching 102% in the trust account, clarify that “token holder” can include partial tokens, allow the new authority to work with either the treasurer or a 3rd party financial institution to invest the funds in treasuries, removed any reference to the Investment Funds Committee, and removed the exclusive jurisdiction of the chancery court in actions relating to the stable token.,

GENERAL PUBLIC COMMENT/OTHER BUSINESS

David Roland, CEO, Advanced Intelligent Network Corporation, and President, SohoStar Corporation, expressed his concerns regarding legislation pertaining to digital identification.

Mr. Maher highlighted the importance of the Committee's digital identity efforts.

MEETING ADJOURNMENT

There being no further business, Chairman Olsen adjourned the meeting at 3:53 p.m.

Respectfully submitted,

Representative Jared Olsen

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	Legislative Service Office
1-02		Sign-In Sheet	LSO
5-01	Bill Draft: 23LSO-0171 - Wyoming digital asset registration act	23LSO-0171 v0.5 Wyoming digital asset registration act.	LSO
5-02	Bill Draft: 23LSO-0171 - Wyoming digital asset registration act	Testimony recommendations for House Bill 23LSO-0171 Draft	Title Chain
6-01	Insurance Amendments	23LSO-0347 v0.2 Insurance and digital assets.	LSO
8-01	Bill Draft: 23LSO-0051 - Wyoming stable token act	23LSO-0051 v0.5 Wyoming stable token act.	LSO
8-02	Bill Draft: 23LSO-0051 - Wyoming stable token act	Statement to WY Legislature	Merchant Advisory Group
8-03	Bill Draft: 23LSO-0051 - Wyoming stable token act	Written Testimony Supporting the Wyoming Stable Token Act	American CryptoFed DAO
8-04	Bill Draft: 23LSO-0051 - Wyoming stable token act	WST Main Street Revenue Stream for Wyoming	American CryptoFed DAO