

# SUMMARY *of* PROCEEDINGS



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

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### COMMITTEE MEETING INFORMATION

September 16-17, 2024 | 8:30 AM  
University of Wyoming, Coe Library, Room 506  
1000 E. University Ave.  
Laramie, Wyoming

### COMMITTEE MEMBERS PRESENT

Senator Chris Rothfuss, Co-Chairman  
Representative Cyrus Western, Co-Chairman  
Senator Dan Furphy  
Senator Tara Nethercott  
Representative Ocean Andrew  
Representative Daniel Singh  
Representative Mike Yin  
Matt Kaufman  
David Pope  
Joel Revill

### COMMITTEE MEMBERS NOT PRESENT

Senator Affie Ellis

### LEGISLATIVE SERVICE OFFICE STAFF

David Hopkinson, Staff Attorney  
Clarissa Nord, 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](mailto: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](http://www.wyoleg.gov).*

## EXECUTIVE SUMMARY

The Select Committee on Blockchain, Financial Technology and Digital Innovation Technology (Select Committee) met for two days in Laramie to complete its interim work. The Select Committee received updates from the University of Wyoming Center for Blockchain and Digital Innovation, the Wyoming Stable Token Commission, the Office of U.S. Senator Cynthia Lummis, and several cryptocurrency mining operations. The Select Committee reviewed bill drafts concerning the creation of a corporate filing system for the Wyoming Secretary of State's Office, the Select Committee's enabling legislation, artificial intelligence, protecting Wyoming's role in the United States dual banking system, and data privacy.

The Select Committee sponsored the following bill drafts for the 2025 General Session:

- 25LSO-0086, Digital ledger filing system development.
- 25LSO-0088, Data privacy-government entities.

The Select Committee voted to recommend the following bill draft to the Joint Minerals, Business & Economic Development Interim Committee consistent with W.S. 28-11-701(b)(ii):

- 25LSO-0090, Defense of state banking.

## CALL TO ORDER (MONDAY, SEPTEMBER 16, 2024)

Chairman Western 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.

The meeting can be viewed on YouTube - Select Committee on Blockchain, Financial Tech. & Digital Innovation Tech., September 16, 2024, ([AM](#)), ([PM](#)); and September 17, 2024, ([AM](#)), ([PM](#)).

## APPROVAL OF MINUTES

Minutes from the July 1-2, 2024, committee meeting were approved, [Appendix 1-03](#).

## GENERAL UPDATES

### ***University of Wyoming Updates and 2024 Blockchain Stampede Introduction***

Steve Lupien, Director, University of Wyoming (UW) Center for Blockchain and Digital Innovation (CBDI), introduced the 2024 Wyoming Blockchain Stampede and provided an overview of the CBDI's current projects and research. Director Lupien summarized the CBDI's efforts to develop experiential learning courses at UW and community colleges throughout the state. The Select Committee requested a breakdown of the CBDI's matching funds received from the Legislature in 2020 and considered the availability of power to support innovation and cryptocurrency mining within the state.

Julie Hill, Dean, UW College of Law, introduced herself and provided background information about her career, noting her expertise in banking and payment systems law. Dean Hill stated that she is one of the leading experts regarding nontraditional access to banking and access to Federal Reserve master accounts. Dean Hill discussed the UW College of Law's collaboration with the UW CBDI and highlighted the Blockchain Law and Innovation Club.

### ***Federal Legislation Update***

Chris Land, General Counsel, Office of United States Senator Cynthia Lummis, provided an update on pending federal legislation related to digital assets. Mr. Land highlighted Senator Lummis' collaboration with U.S. Senator Kristin Gillibrand to develop the Lummis-Gillibrand Payment Stablecoin Act, which aims to create a regulatory framework for payment stablecoins to ensure consumer protection and enable

innovation. Mr. Land commented on the political landscape moving forward and testified that there may be a window at the end of the year to advance digital assets-related legislation.

### ***Wyoming Stable Token Commission Updates***

Anthony Apollo, Executive Director of the Wyoming Stable Token Commission (Commission), updated the Select Committee on the development of the Wyoming Stable Token (WST) and recent employee recruitment efforts. Director Apollo noted the positive feedback regarding the WST from the Wyoming Blockchain Symposium sponsored by SALT, Kraken, and UW. Director Apollo highlighted interest from approximately 300 organizations in collaborating with the WST in some capacity. Director Apollo testified that the Commission will not submit a supplemental budget request for the 2025 General Session and stated that the Commission hopes to be self-sufficient by the next Biennium.

### ***Cryptocurrency Mining Update***

Zach Bradford, CEO and President, CleanSpark, reviewed the company's cryptocurrency mining operations and recent acquisition of property rights and assets from MineOne. Mr. Bradford noted the capacity of the Cheyenne mining operation and announced plans to invest an additional \$40 to \$50 million in infrastructure across Wyoming over the next three to six months. Mr. Bradford stated that CleanSpark aims to create around 40 jobs in the state. Bradford also discussed long-term plans to secure adequate power and praised Wyoming's business-friendly practices and supportive environment.

### ***Public Comment***

No public comment was provided on this topic.

### ***Committee Action***

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

## **REVIEW OF WYOMING CYBERSECURITY STATUTES**

Director Lupien reviewed a document prepared by the Wyoming Cybersecurity Action Network Committee that addresses updates to Wyoming's cybersecurity statutes, [Appendix 3-01](#). Director Lupien noted that legislative changes and updates are necessary to reflect the cybersecurity environment that exists today.

### ***Public Comment***

No public comment was provided on this topic.

### ***Committee Action***

The Chairmen directed Legislative Service Office (LSO) Staff to add this topic to the Select Committee's interim topics list for the 2025 Interim.

## **WYOMING SECRETARY OF STATE'S OFFICE**

### ***Bill Draft: 25LSO-0086, Digital ledger filing system development.***

David Hopkinson, Staff Attorney, LSO, reviewed 25LSO-0086, Digital ledger filing system development, which would require the Secretary of State's Office to develop a blockchain or distributed ledger filing system, establish recommendations, and provide an appropriation for the new system, [Appendix 5-01](#).

The Honorable Chuck Gray, Wyoming Secretary of State, expressed concerns about the bill, highlighting that it would require overhauling the existing filing system. Secretary Gray mentioned that a \$3 million upgrade proposal was denied during the 2024 Budget Session. Secretary Gray emphasized his preference to complete the proposed upgrade since the current system does not support advanced Application

Programming Interfaces (APIs). Secretary Gray stated that he does not plan to request a supplemental budget request for an upgraded system for the 2025 General Session and believes the 2026 Budget Session would be more appropriate to address the request.

Colin Crossman, Business Division Director, Wyoming Secretary of State's Office, commented on the technical challenges of implementing an API-driven system, noting the current system's incompatibility with the necessary improvements.

Mr. Lupien expressed the UW CBDI's willingness to collaborate with the Secretary of State's Office to develop the system, utilizing UW's capabilities and technical capacity to prepare the system for launch and administration.

### **Commercial Registered Agent Working Group Update**

Representative Singh provided an update on the commercial registered agent working group, which aims to create a legal framework for blockchain and digital identity law. Representative Singh stated that another component of the working group's efforts is to provide clarity and security for cryptographic signatures.

David Pope, Governor's Liaison to the Select Committee, added that Wyoming Statute does not adequately define these concepts, and the courts will benefit from the additional legislative guidance. Mr. Pope stated that this work will help advance the state in the digital assets industry and noted that the working group will begin working with LSO to develop several bill drafts.

Brenden Maher, Massachusetts Institute of Technology (MIT) Media Alumnus, explained three approaches for verifying cryptographic signatures and commented on the Secretary of State's filing system, highlighting its potential to advance technology and diversify the state's economy.

### **Public Comment**

Scott Moeller and Xiaomeng Zhou, American CryptoFed DAO, provided public comment, [Appendix 5-02](#).

Mr. Crossman commented on American CryptoFed DAO's testimony.

Tyler Lindholm, Americans For Prosperity, discussed American CryptoFed DAO's testimony and Wyoming's digital asset regulations.

Jade Barker and David Duccini, Silicon Prairie, and John Belitsky, Balcony Technology Group, provided public comment regarding the state's ability to develop an API-driven filing system.

### **Committee Action**

Chairman Rothfuss moved that the Select Committee sponsor 25LSO-0086, Digital ledger filing system development. The motion passed by roll-call vote with Senator Ellis excused.

## **ARTIFICIAL INTELLIGENCE (AI) GOVERNANCE**

Dazza Greenwood, Civics.com, MIT Computational Law, introduced the AI informational session and discussed using technology for legal tasks, focusing on computational law and generative AI. Mr. Greenwood also highlighted the use of agentic AI which refers to AI systems that can act independently, make decisions, and perform tasks without human intervention or control.

Alex Reibman, Co-Founder and CEO, Agency AI, demonstrated their software that allows users to monitor AI agents performing various tasks, such as scheduling appointments and contract negotiations. Campbell Hutcheson, Chief Product Officer, Norm Ai, discussed automating regulatory compliance and how AI interacts with legal systems.

Nam Nguyen, Co-Founder, Truth Systems, and Alex Nguyen highlighted the importance of maintaining confidentiality and managing AI interactions to comply with professional rules. Mr. Nguyen further emphasized automated compliance risk assessments and software that creates regulatory frameworks for AI. Mr. Nguyen discussed the work of the State Bar of California and best practices for using AI in the legal field. Mr. Nguyen suggested waiting one to two years to observe AI innovations across the country before the Select Committee develops legislation to address AI.

The Select Committee received a presentation from Mr. Greenwood regarding agentic AI and computational law, where he provided examples of current applications of agentic AI and discussed certain privacy concerns surrounding AI. Mr. Greenwood noted the need for regulatory frameworks to protect privacy and ensure safe AI usage. Mr. Greenwood provided demonstrations of personal AI agents and stressed the importance of balancing technology capabilities with privacy concerns.

#### **Public Comment**

Mr. Maher and Kerry Aggen, Buffalo, provided public comment.

#### **Committee Action**

The Select Committee did not take any action on this topic. Chairman Rothfuss noted the Select Committee will continue its consideration of AI liability, data provenance, and automated decision-making during the 2025 Interim.

#### **Consideration of Bill Drafts**

Mr. Hopkinson reviewed 25LSO-0149, Unlawful dissemination of misleading synthetic media, which would prohibit the distribution of synthetic media or "deep fakes," including videos, photos, or audio recordings that appear to be real but have been manipulated with AI, [Appendix 7-01](#).

Mr. Hopkinson also presented 25LSO-0150, Misleading synthetic media-elections, which seeks to prohibit the dissemination of synthetic media pertaining to election candidates, including remedies and penalties, [Appendix 7-02](#). Mr. Hopkinson advised the Select Committee to evaluate whether the provisions should apply solely to candidates or to everyone, and to consider if an injunction could be a suitable remedy.

#### **Public Comment**

No public comment was provided on this topic.

#### **Committee Action**

Chairman Western moved that the Select Committee indefinitely postpone 25LSO-0149, Unlawful dissemination of misleading synthetic media and 25LSO-0150, Misleading synthetic media-elections. Chairman Rothfuss noted that the Select Committee will address the dissemination of misleading synthetic during the 2025 Interim.

### **COMMITTEE DIRECTIVES**

Chairman Rothfuss noted the Select Committee may consider revising the state's securities laws to address the concerns presented by the American CryptoFed DAO.

Chairman Rothfuss also stated that the Select Committee will receive additional information from the UW CBDI for the matching grant funds the CBDI previously received from the Legislature. Chairman Rothfuss mentioned that the Select Committee will collaborate with the Joint Appropriations Committee to seek additional matching grant funding for the CBDI.

## MEETING RECESS

The Select Committee recessed at 4:53 PM.

## CALL TO ORDER (TUESDAY, SEPTEMBER 17, 2024)

Chairman Rothfuss called the meeting to order at 8:32 AM.

### ***Cryptocurrency Mining Update - Continued***

Lee Filer, Co-Founder, Crypto-Knight Hosting, provided an overview of his company that offers various services for Bitcoin mining. Mr. Filer commented on the availability of power to facilitate Bitcoin mining and the impact the company has had on Laramie County's local economy.

Jaime Terranova, Co-Founder, President and CEO, and Jason Gunderson, 44 West Mining, provided an overview of their cryptocurrency mining operation and commented on the availability of power to facilitate cryptocurrency mining in Campbell County. Mr. Terranova testified that the availability of power is crucial for economic development and to continue their operations in Wyoming.

## STATE BANKING

Mr. Hopkinson provided an overview of 25LSO-0090, Defense of state banking, which would require the Attorney General to take action to defend the state's interest in the United States dual banking system, [Appendix 11-01](#). Mr. Hopkinson noted the bill draft also provides legislative findings regarding the United States dual banking system and its importance to the state.

Jeremiah Bishop, Banking Commissioner, Wyoming Division of Banking, commented on the bill draft and noted that some of the entities that would fall under the provisions of the bill draft would also be subject to foreign regulators.

### ***Public Comment***

Scott Meier, President, Wyoming Bankers Association provided public comment.

### ***Committee Action***

Representative Singh moved for the Select Committee to recommend 25LSO-0090, Defense of state banking, to the Joint Minerals, Business & Economic Development Interim Committee consistent with W.S. 28-11-701(b)(ii). The motion passed by roll-call vote with Senator Nethercott voting no and Senator Ellis excused.

The Select Committee amended the bill to give the Attorney General discretion by only taking action he deems necessary.

## REVIEW OF SELECT COMMITTEE ON BLOCKCHAIN ENABLING LEGISLATION

Mr. Hopkinson summarized 25LSO-0071, Select committee on blockchain and emerging technologies, which would amend the name and duties of the Select Committee and revise the sponsorship authority of the Select Committee, [Appendix 12-01](#). Mr. Hopkinson noted the bill draft would amend the title of the Select Committee to "Select Committee on Blockchain and Emerging Technologies."

### ***Public Comment***

No public comment was provided on this topic.

**Committee Action**

Chairman Rothfuss moved that the Select Committee indefinitely table 25LSO-0071, Select committee on blockchain and emerging technologies. Chairman Rothfuss noted the Select Committee will likely address the bill draft during the 2025 Interim.

**PERSONAL DATA AND NAME, IMAGE, LIKENESS**

Mr. Hopkinson reviewed 25LSO-0089, Name, image, likeness and personal data, which would define the rights of individuals concerning their personal data, as well as their name, image, and likeness, **Appendix 14-01**. Mr. Hopkinson further noted that the bill draft would establish requirements for processing personal data, outline enforcement mechanisms and applicability, and provide penalties. The bill draft also provides legislative findings pertaining to a natural person's name, image, likeness, digital identity and other personal data.

**Public Comment**

Brittany Kaiser, Own Your Data Foundation, Ruthie Barko, TechNet, Matt Schwartz, Consumer Reports, and Ms. Aggen provided public comment.

**Committee Action**

Chairman Rothfuss noted absent objection, the Select Committee would indefinitely postpone 25LSO-0089, Name, image, likeness and personal data. Chairman Rothfuss stated that the Select Committee members will continue to work on the bill draft throughout the 2024 Interim and potentially work toward developing an individual bill draft for the 2025 General Session.

**DATA PRIVACY**

Mr. Hopkinson provided an overview of 25LSO-0088, Data privacy-government entities, which would require government entities to adopt policies for the collection, access, security, and use of personal data, **Appendix 16-01**. Mr. Hopkinson stated that the bill draft would also require government entities to establish specific personal data policies.

**Public Comment**

Erin Taylor, Wyoming Association of Community College Trustees, Ms. Aggen, and Ms. Barko provided public comment.

Jerimiah Rieman, the Executive Director of the Wyoming County Commissioners Association, proposed that the Select Committee direct the Wyoming State Archivist to collaborate with the Wyoming State Chief Information Officer from the Department of Enterprise Technology Services to develop a model data privacy policy for government bodies.

**Committee Action**

Senator Furphy moved that the Select Committee sponsor 25LSO-0088, Data privacy-government entities. The motion passed by roll-call vote with Senator Ellis excused.

The Select Committee adopted amendments to the bill to allow an agencies respective elected governing authority to grant exceptions to certain provisions of the bill, rather than limiting this exception granting authority to the governor, and to require the chief information officer to consult with state archives when developing model rules for data privacy.

## **SPECIAL PURPOSE DEPOSITORY INSTITUTIONS (SPDIs)**

### ***Updates from SPDIs***

Trevor Rutar, Chief Executive Officer, Kraken, updated the Select Committee on Kraken's operations and noted that Kraken recently sponsored the Wyoming Blockchain Symposium in partnership with UW and SALT.

Caitlin Long, Founder and Chief Executive Officer, Custodia, provided testimony to the Select Committee regarding Custodia's efforts to obtain a master account with the Federal Reserve to access the federal payment system, **Appendix 18-01**.

### ***Assessment Discussion***

Chairman Rothfuss summarized the assessment discussion, which refers to the two tenths of a mill the Division of Banking charges SPDIs.

Mr. Rutar highlighted several challenges posed by the current assessment and fee structure for SPDIs and discussed several alternative fee structure options, including a tiered supervisory fee structure. Mr. Rutar also suggested another proposal that involves changing the flat custody fee of two basis points for digital assets held by SPDIs.

Brian Mathena, Chief Financial Officer, Kraken, discussed the challenges with federal master accounts and how an uncompetitive fee structure is hindering industry growth in Wyoming compared to other states.

Commissioner Bishop provided additional information about the Division of Banking's fee structure for SPDIs.

### ***Public Comment***

Mr. Lindholm and Albert Forkner, TwoOcean Trust, provided public comment and commented on the assessment discussion.

### ***Committee Action***

Chairman Rothfuss noted the Select Committee will consider the assessment discussion during the 2025 Interim.

## **MEETING ADJOURNMENT**

There being no further business, Chairman Rothfuss adjourned the meeting at 4:21 PM.

Respectfully submitted,

Representative Cyrus Western, Co-Chairman



# Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
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1-02		Sign-In Sheet	Legislative Service Office
1-03	Call to Order	Meeting Minutes - July 1-2, 2024	LSO
3-01	Review of Wyoming Cybersecurity Statutes	Internet Related Statute Review	Wyoming Cybersecurity Action Network Committee
5-01	Wyoming Secretary of State's Office	25LSO-0086 v0.7 Digital ledger filing system development.	Legislative Service Office
5-02	Wyoming Secretary of State's Office	Testimony on the Clarity of DAOs' Token Issuance	American CryptoFed DAO
7-01	Artificial Intelligence (AI) Governance	25LSO-0149 v0.4 Unlawful dissemination of misleading synthetic media.	Legislative Service Office
7-02	Artificial Intelligence (AI) Governance	25LSO-0150 v0.4 Misleading synthetic media-elections.	Legislative Service Office
7-03	Artificial Intelligence (AI) Governance	Testimony for 25LSO-0149-Unlawful dissemination of misleading synthetic media	TechNet
7-04	Artificial Intelligence (AI) Governance	Testimony for 25LSO-0150-Misleading synthetic media	TechNet
7-05	Artificial Intelligence (AI) Governance	Proposed Amendment, 25LSO-0149-Unlawful dissemination of misleading synthetic media	Range
7-06	Artificial Intelligence (AI) Governance	Proposed Amendment, 25LSO-0150-Misleading synthetic media-elections	Range
7-07	Artificial Intelligence (AI) Governance	Proposed Amendment, 25LSO-0149-Unlawful dissemination of misleading synthetic media	Charter Communications

7-08	Artificial Intelligence (AI) Governance	Proposed Amendment, 25LSO-0150-Misleading synthetic media-elections	Charter Communications
11-01	State Banking	25LSO-0090 v0.7 Defense of state banking.	Legislative Service Office
12-01	Review of Select Committee on Blockchain Enabling Legislation	25LSO-0071 v0.5 Select Committee on Blockchain and emerging technologies.	Legislative Service Office
14-01	Personal Data and Name, Image, Likeness	25LSO-0089 v0.5 Name, image, likeness and personal data.	Legislative Service Office
14-02	Personal Data and Name, Image, Likeness	Letter - 25LSO-0089-Name, image, likeness and personal data	Consumer Data Industry Association
16-01	Data Privacy	25LSO-0088 v0.6 Data privacy-government entities.	Legislative Service Office
16-02	Data Privacy	Letter - 25LSO-0088-Data privacy-government entities	Consumer Data Industry Association
18-01	Special Purpose Depository Institutions (SPDIs)	Testimony - Custodia Bank	Caitlin Long, Founder and CEO, Custodia Bank