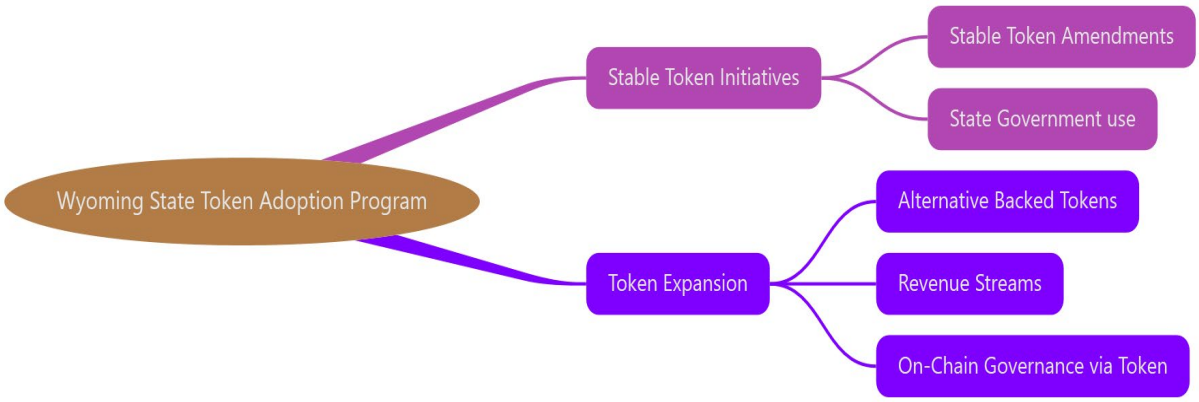
Wyoming State Token Adoption Program

The Future is Now

May 5, 2025

David A. Pope, CPA CGMA

Wyoming State Token Adoption Program

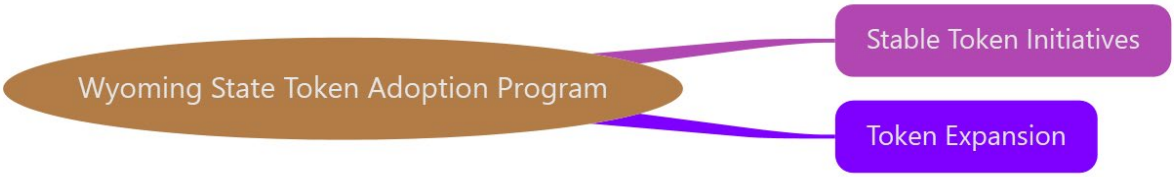


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Wyoming State Token Adoption Program

I. Introduction/Executive Summary



Greetings, Co-Chair Rothfuss and Singh;

Thank you for allowing me to present this information to the Wyoming Select Committee on Blockchain, Financial Technology and Digital Innovation Technology.

In 2023, the Wyoming Legislature passed The Wyoming Stable Token Act and it was subsequently signed into law by Governor Mark Gordon. This act created The Wyoming Stable Token Commission.

The Commission is tasked with the creation of the first State agency administered Stable Token. This effort is progressing and is targeted to produce its first stable tokens on July 4, 2025.

This document contemplates the future of tokenization on the State Government level in Wyoming. It presents a very preliminary set of ideas that, if implemented, will integrate the Stable Token into the operations of the State as well as create a roadmap for the tokenization of State assets and revenue streams.

The benefits of this effort are as follows:

1. Greater in-state adoption of the Stable Token,
2. Greater transparency and accountability for receipts and payments,
3. Greater efficiency and speed in the payment and tax receipts system,
4. Smoothing of revenues,
5. Offloading of risk.

There are two types of changes contemplated here. Expansion of the current Stable Token Legislation and then, broader actions are considered that would expand the token universe in Wyoming.

Bear in mind that these suggestions represent possibilities and NOT official current policies or directives.

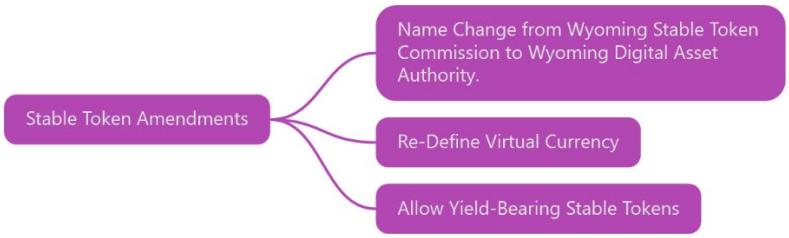
Thank you again for your time and attention. I look forward to working these issues and discussing these ideas.

Sincerely,

David A. Pope, CPA CGMA
Governor's Liasson (1 of 3)

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II.A. Stable Token Initiatives - Stable Token Amendments



Stable Token Amendments

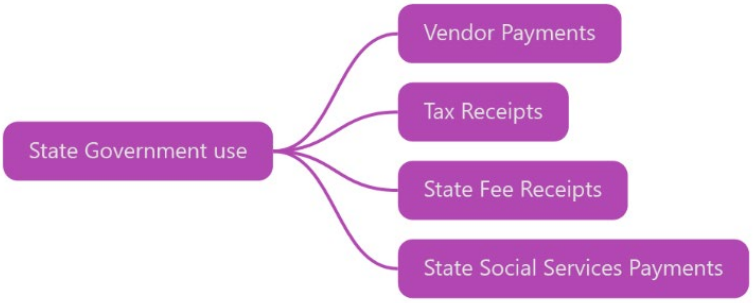
Any expansion of the type and use of tokens by the Wyoming State Government would require consideration of the following changes to the current Wyoming Stable Token Act:

a. Name/Scope Change for the Wyoming Stable Token Commission
   i. Re-name to the Wyoming Digital Asset Commission/Corporation/Authority
   ii. Expand the scope to include the minting and distribution of all tokens authorized by the legislature.
b. Re-Define Virtual Currency
   i. Wyoming Statutes § 34-29-101
   ii. Stable Token that is dollar denominated and backed 100% by US Debt Obligations is not a currency, but more closely resembles a consumer token [W.S. § 34-29-101(A)(ii)].
   iii. "Virtual currency" means as defined in W.S. 34-29-101(a)(iv)
c. Allow Yield-Bearing Tokens
d. Allow alternative backed tokens

Notes

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II.B. Stable Token Initiatives - State Government Use



State Government Use

The Wyoming Stable Token would best serve the State if it is used by the State. This has the advantage of increasing the speed, transparency, efficiency and accountability of all receipts and payments. The side benefit is that it would allow for the tokens to remain in circulation for a greater length of time, generating additional revenue for the State.

Following are possible use cases for State funds:

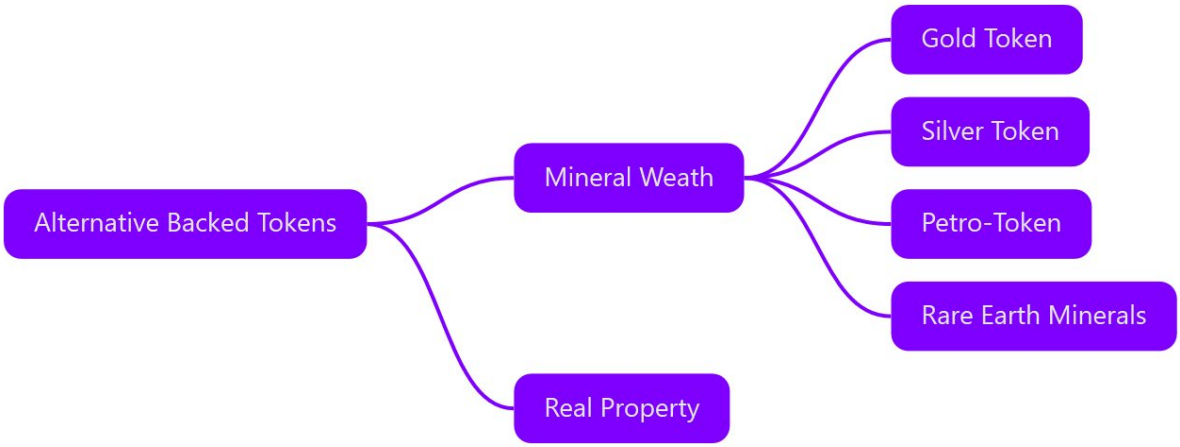
a. Vendor Payments
b. Tax Receipts
c. State Fee Receipts
d. State Social Services Payments

As part of the above, the Legislature should consider allowing and funding the necessary technology for each department to be able to fully utilize the Stable Token.

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III.A. Token Expansion - Alternative Backed Tokens



Objective

To create and distribute tokens that are backed by and represent certain rights to real-world assets.

Potential Backing

1. Gold
2. Silver
3. Petroleum
4. Rare-Earth Minerals
5. Real Property

Description

Logistical Note – Funds received for each of the above scenarios would be placed into a trust that would preserve principal and a portion of income to affect future repurchase.

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Backing for each would be in the form of one or more of the following:

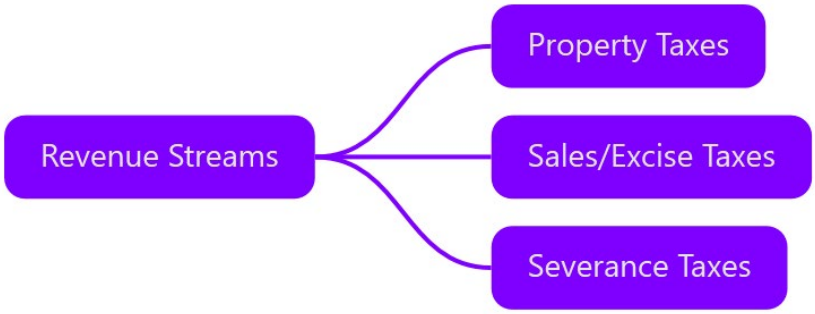
Form	Advantages	Disadvantages
In-Ground, untapped and State-owned reserves	1. State would be turning what is now a cost-center into current revenue. 2. State already owns and controls 3. Smart-Contract can be engineered to provide for an at-will repurchase by the State that is protected by a repurchase price ceiling.	1. Difficult to value, 2. Difficult to ascertain scope of rights being sold.
State-owned, vaulted/stored reserves	1. Easier to value reserves.	1. Cost of storage 2. Security of vault/storage 3. Buy vs. Build Consideration 4. Has much longer and more difficult set-up and higher cost of administration.
Certificates-in-trust, where the reserves are held by a third party yet owned by the State	1. Easy to set up and maintain. 2. Easy to value. 3. Could be an easy first step toward other methods of developing reserves. 4. May be able to leverage existing vendors engaged with the Stable Token Commission	1. Reliance on a third- party broker, 2. It would be a second or third intermediary in the process, thus incurring additional costs.

Note: In the case of a real-property backed token, the backing would be in the form of either deeds-in-trust for land owned by the State or in investments such as REITS that are offered by third parties (There would not be a “vaulted” category).

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III.B. Token Expansion - Revenue Streams



Overall Objective

Stabilize and de-risk Wyoming's revenue streams.

Initiative

Allow for the sale of tokens that allow the holder to receive a portion of the income collected by the State.

Rationale

Wyoming regularly experiences wide volatility in its revenues. The volatility is concentrated mostly in its revenue from mineral severance taxes. One means of smoothing the volatility and off-loading the risk would be to "pre-sell" tokens that allow the holder to receive a portion of the income received by the State from producers (hypothetically, if somebody purchased tokens representing 1% of the taxes, one percent of the revenue would be paid to them on a fixed and determinable schedule).

This would allow the State to invest the funds between the time of the sale and the use of the funds (as budgeted). The purchaser of the token would bear the risk in a case where expectations of revenue are not met (and, conversely, receive the benefit when the expectations are exceeded).

Methodology

The Consensus Revenue Estimating Group (CREG) is responsible for formulating projections for the main sources of income to the State. On a normal basis, CREG begins their work in September of each year and develops their estimates in time for the Executive Branch to develop their budgets and the Legislature to convene and pass the budget.

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If CREG created their estimates and a revenue token were sold prior to December 31st of each year, the money received could be held in trust, invested and the Governor and the legislature would have a sum-certain to use for budget purposes.

The token could be auctioned, with a minimum price and the token would expire at the end of the following biennium budget period.

The receipts from token sales could be amortized to the various budget allocations over the course of one biennium, beginning in July of the year following the sale.

Implementation

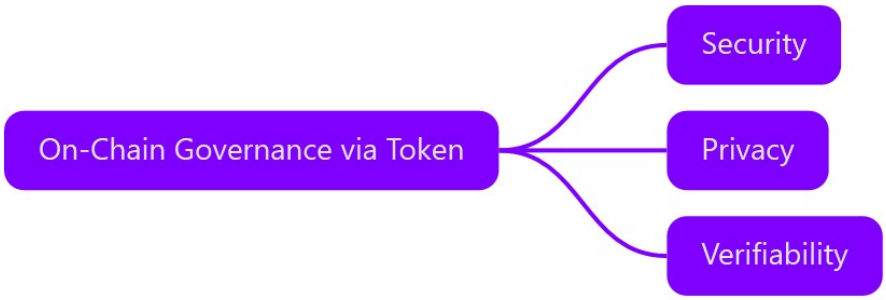
The following is a sample of possible steps that could be taken to implement the token sales:

1. 2026 Legislative Session – Create enabling legislation for pilot program (Scope of pilot to be determined)
2. 4/1/2026 - Begin token design process, using Stable Token platform and vendors as a springboard,
   a. Write rules
   b. Define vendor list,
   c. Begin technical design
3. 9/1/2027 – Begin working with CREG,
4. 12/1/2027 – Initial Token Offering
5. 2028 Legislative Session – Based on results of pilot, either end program or extend to full-scale offering.

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III.C. Governance



Objective

The legislature should study the future possibility of using distributed ledger technology for voting purposes.

Rationale

Voting is one of our most sacred rights. This right can be undermined by poorly secured systems. Even if we have negligible fraud within the voting systems right now, this could quickly change as our population increases locally and nationally.

Technologies such as biometrics, blockchain and tokens can be leveraged to prevent and combat this possibility. However, anonymity features, like zero-knowledge proofs and homomorphic encryption, are only starting to be used at scale recently.

Any solution proposed would be required to maintain the elements of security, privacy and verifiability.

Actions

The only action I am requesting is that we open the conversation for the future. This could take the form of either an informal working group or a formal study commissioned by the legislature.

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