

Blockchain Report Card:

Measuring State Legislatures' Support for Blockchain Technology

State legislators are recognizing the economic and consumer opportunities that blockchain technology can bring and are introducing legislation supporting its growth. Recognizing this upward trend, the Chamber published its [Legislator's Toolkit for Blockchain Technology](#) in December 2018 before most legislative sessions started in January to provide states with recommendations that would benefit the growth of blockchain technology. **In fact, the introduction of blockchain-related state legislation has exploded, from 64 bills introduced in 2018, to 237 and counting as of May 16, 2019.** Some efforts are quite progressive, while others were well-intentioned but could have benefitted from additional guidance from the industry.

How Are States Measuring Up?

The Legislator's Toolkit for Blockchain Technology suggests a number of legislative options for lawmakers to consider as they examine ways to stimulate their economies and facilitate growth in the blockchain industry. **Here's how the states stacked up:**

Toolkit Recommendation	# of Bills Supporting the Recommendation	States That Introduced These Bills
Create an Office Dedicated to Promoting Blockchain Technology	14	CT, FL, KY, ME, MA, NV, NY, OR, TX, UT, VA
Facilitate Regulatory Sandboxes	13	AZ, IL, KY, NE, NY, NC, SC, TX, UT, VT, WV, WY
Allow Businesses to Use Blockchain for Corporate Records Management	10	MO, NV, ND, SC, TX, VA, WY
Promote Insurance Innovation	6	IL, KY, NC, TN, VT
Create a Tax Policy that Promotes Innovation	5	CA, CO, IA, MT, RI
Amend Laws to Exempt "Utility" Tokens	5	CO, IA, MT, ND, RI
Clarify Application of Money Transmitter Laws	2	IA, UT

*This chart provides information from legislation introduced between January 1, 2019 - May 16, 2019. Please note that some states introduced multiple bills relating to the same Toolkit Recommendation.

**Wyoming was an early mover in introducing legislation to create an office dedicated to promoting blockchain technology, exempt utility tokens from securities laws, exempt digital tokens from money transmitter laws, and create a tax policy that promotes innovation. It enacted these bills in 2018, and thus are not included in this chart. Arizona was also the first state to launch a regulatory sandbox in 2018 and Delaware became the first state to enact legislation to use blockchain for corporate recordkeeping.

A Patchwork of Inconsistent Smart Contracts Legislation

Although legislation attempting to address the enforceability of blockchain and smart contracts is an effort to promote the technology, use of blockchain technology and smart contracts in electronic records and signatures is already permitted and enforceable under existing federal and state law through application of the **Electronic Signatures in Global and National Commerce Act (ESIGN Act)** and state **Uniform Electronic Transactions Act (UETA)** provisions. Unfortunately, 9 states have enacted bills that are inconsistently drafted and 4 states have introduced bills that will add to the state-by-state patchwork of laws.

States that Have Enacted Legislation to Amend Electronic Transactions Laws	AZ, AR, NV, ND, OH, OK, SD, TN, WA
States that Have Introduced Legislation to Amend Electronic Transactions Laws	CT, IL, IA, NY

States That Are Progressively Introducing Blockchain-Related Bills

The following states are leaders in introducing legislation to help the industry develop and grow — from introducing legislation to study and allocate funding for blockchain projects to enacting legislation and creating state initiatives.

CO

Colorado introduced legislation seeking to pilot the use of blockchain in cybersecurity, exempt utility tokens from securities laws, track water rights, study blockchain's agricultural applications, and claim a tax deduction on gains from the sale or exchange of virtual currency. Governor Jared Polis, former Congressional Blockchain Caucus Co-chair, stated he wants to make Colorado "a national hub for blockchain innovation in business and in government."

ND

North Dakota introduced legislation to enable use of blockchain in corporate recordkeeping, study the benefits of blockchain in government services and pilot its use, and exempt utility tokens from securities laws. In total, 5 bills followed the legislative proposals in our Toolkit and/or are supportive of industry.

CT

Connecticut introduced legislation seeking to study and incorporate the use of blockchain in government administration, study its use in online voting, and study how it can help manage elector information. Of the bills introduced, 5 followed the legislative proposals in our Toolkit and/or are supportive of industry.

VA

Virginia has introduced a diverse group of bills to create working groups, pilot the use of blockchain healthcare credentialing, explore blockchain-based mobile voting, and implement use of blockchain in managing business records. Unfortunately, each of these bills did not have support in the legislature and failed. Nevertheless, 5 bills followed the legislative proposals in our Toolkit and/or are supportive of industry.

NY

New York introduced a number of bills that seek to study how blockchain can help improve government services and help stimulate economic development within the blockchain industry. Legislators also introduced bills that create entities to work with the Department of Financial Services to study applications of blockchain and review virtual currency oversight. As a result, 14 bills followed the legislative proposals in our Toolkit and/or are supportive of industry.

WY

Wyoming broke out of the pack last year with progressive legislation such as a bill to exempt digital tokens from state securities laws and a bill to exempt virtual currency transactions from its money transmitter law. Some of these bills, such as its utility token bill, have been introduced in a number of states. This year, it introduced legislation to further support blockchain innovators. Overall, 7 bills followed the legislative proposals in our Toolkit and/or are supportive of industry. The State created the Wyoming Blockchain Task Force in 2017 to support the industry.

Delaware and Illinois are not included in the list above because they have not been active so far this year as in previous years, but they deserve recognition for progressive policies and legislation introduced through the Delaware Blockchain Initiative and Illinois Blockchain Task Force.

Legislator's Toolkit for Blockchain Technology:



<https://digitalchamber.org/state-legislators-toolkit/>

50+ state bills introduced in 2019 track the Chamber's recommendations in our Legislator's Toolkit