HOUSE DOCKET, NO. 2065 FILED ON: 2/16/2021

HOUSE . . . . . No. 126

The Commonwealth of Massachusetts

PRESENTED BY:

Kate Lipper-Garabedian

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing a special commission on blockchain and cryptocurrency.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Kate Lipper-Garabedian	*32nd Middlesex*	*2/16/2021*
Susan L. Moran	*Plymouth and Barnstable*	*2/26/2021*
Andres X. Vargas	*3rd Essex*	*2/26/2021*
Bradley H. Jones, Jr.	*20th Middlesex*	*3/10/2021*
Edward R. Philips	*8th Norfolk*	*4/1/2021*
Jessica Ann Giannino	*16th Suffolk*	*4/1/2021*
Jacob R. Oliveira	*7th Hampden*	*4/7/2021*
Kip A. Diggs	*2nd Barnstable*	*4/8/2021*
Carmine Lawrence Gentile	*13th Middlesex*	*10/25/2021*
Josh S. Cutler	*6th Plymouth*	*10/25/2021*

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By Mrs. Lipper-Garabedian of Melrose, a petition (accompanied by bill, House, No. 126) of Kate Lipper-Garabedian and others relative to establishing a special commission (including members of the General Court) on blockchain and cryptocurrency. Advanced Information Technology, the Internet and Cybersecurity.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act establishing a special commission on blockchain and cryptocurrency.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. A special commission is hereby established for the purposes of making an investigation relative to blockchain technology and cryptocurrency and to develop a master plan of recommendations for fostering the appropriate expansion of blockchain technology and the cryptocurrency industry in the Commonwealth.

SECTION 2. As used in this act, “blockchain” shall have the following meaning: a mathematically secured, chronological and decentralized ledger or database.

SECTION 3. The commission shall consist of 20 members: the speaker of the house of representatives or a designee who shall serve as co-chair; the minority leader of the house of representatives or a designee; the president of the senate or a designee who shall serve as co-chair; the minority leader of the senate or a designee; the senate and houses chairs of the joint committee on economic development and emerging technologies; the senate and house chairs of

the joint committee on revenue; the senate and house chairs of the joint committee on financial services; the attorney general or a designee; the chair of the cannabis control commission or a designee; the commissioner of the department of revenue or a designee; the secretary of the executive office of technology services and security or a designee; the secretary of public safety and security or a designee and five persons to be appointed by the governor including one appointee from a cryptocurrency company, one appointee from a cryptocurrency exchange, one appointee of a company with a business model that uses blockchain for non-cryptocurrency transaction purposes and two appointees representing institutions of higher education in the commonwealth.

All appointments shall be made not later than 45 days after the effective date of this act. The chairpersons shall meet with the commission not later than 90 days after the effective date of this act.

SECTION 4. The commission shall be charged with examining the following:

(a) The feasibility, validity and admissibility as well as risks, including privacy risks, and benefits of using blockchain technology in state and local government and Massachusetts-based businesses; provided that, for the purposes of government use, the commission's examination shall include but not be limited to consideration of government records and delivery of services; court proceedings; statewide registries including for firearms, marijuana and opiates and election nomination papers, voter records and election results; and provided further that, for the purposes of business use, the commission's examination shall include but not be limited to consideration of the advisability of allowing corporate records to be maintained using blockchain technology, including any security requirements necessary to ensure their accuracy;

(b) The need for modifications to the definition of blockchain in this act and to general law to effect the appropriate deployment of blockchain technology;

(c) The impact of the proliferation of the cryptocurrency industry on state revenues and the need to restructure the commonwealth's tax framework, including the advisability of taxing cryptocurrency transactions as part of the sales tax;

(d) The advisability of government agencies and relevant business enterprises, including but not limited to cannabis retail stores, accepting payment in cryptocurrency;

(e) The feasibility of regulating the energy consumption associated with cryptocurrency;

(f) The best practices for enabling blockchain technology and cryptocurrency transactions to benefit the commonwealth, Massachusetts-based businesses, and Massachusetts residents, including an examination of historical barriers to entry and participation in emerging technologies and markets for individuals underrepresented in these industries and markets;

(g) The state agencies best equipped to provide oversight of blockchain technology and the cryptocurrency industry; and

(h) Any other related topic which the commission may choose to examine in relation to blockchain or cryptocurrency.

The commission shall take input from a broad range of stakeholders with a diverse range of interests affected by state policies governing emerging technologies, privacy, business, finance, the courts, the legal community, and state and local government.

SECTION 5. Not later than one year after all appointments to the commission have been made, pursuant to section 3, the commission shall report to the general court the result of its investigation and its master plan of recommendations to foster a positive blockchain and cryptocurrency economic environment, together with drafts of legislation necessary to effect its recommendations, by filing the same with the clerk of the house of representatives and the clerk of the senate.