SENATE . . . . No. 29

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

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:
Barry R. Finegold	*Second Essex and Middlesex*

SENATE . . . . No. 29

By Mr. Finegold, a petition (accompanied by bill, Senate, No. 29) of Barry R. Finegold for legislation to establish a special commission (including members of the General Court) on blockchain and cryptocurrency. Advanced Information Technology, the Internet and Cybersecurity.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *126* OF 2021-2022.]

The Commonwealth of Massachusetts

_____

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

_____

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:

1   SECTION 1. A special commission is hereby established for the purposes of making an

2 investigation relative to blockchain technology to develop a master plan of recommendations for

3 fostering the appropriate expansion of blockchain technology in the Commonwealth.

4   SECTION 2. As used in this act, "blockchain" shall have the following meaning: a

5 mathematically secured, chronological and decentralized ledger or database.

6   SECTION 3. The commission shall consist of 25 members: the speaker of the house of

7 representatives or a designee who shall serve as co-chair; the minority leader of the house of

8 representatives or a designee; the president of the senate or a designee who shall serve as co-

9 chair; the minority leader of the senate or a designee; four members of the house of

10   representatives appointed by the speaker; four members of the senate appointed by the president;

11   the attorney general or a designee; the chair of the cannabis control commission or a designee;

12   the commissioner of the department of revenue or a designee; the secretary of the executive

13   office of technology services and security or a designee; the secretary of public safety and

14   security or a designee; three persons to be appointed by the state secretary, provided that one

15   shall represent an organization focused on consumer protection; and five persons to be appointed

16   by the governor including one appointee from a financial technology company, one appointee of

17   a company with a business model that uses blockchain technology for purposes other than digital

18   assets and two appointees representing institutions of higher education in the commonwealth.

19   All appointments shall be made not later than 45 days after the effective date of this act.

20   The chairpersons shall meet with the commission not later than 90 days after the effective date of

21   this act.

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

23   (a) The feasibility, validity and admissibility as well as risks, including privacy risks, and

24   benefits of using blockchain technology in state and local government and commonwealth-based

25   businesses; provided that, for the purposes of government use, the commission's examination

26   shall include but not be limited to consideration of government records and delivery of services;

27   court proceedings; statewide registries including for firearms, marijuana and opiates and election

28   nomination papers, voter records and election results; and provided further that, for the purposes

29   of business use, the commission's examination shall include but not be limited to consideration

30   of the advisability of allowing corporate records to be maintained using blockchain technology,

31   including any security requirements necessary to ensure their accuracy;

32   (b) The need for modifications to the definition of blockchain in this act and to general

33   law to effect the appropriate deployment of blockchain technology;

34   (c) The impact of the proliferation of the cryptocurrency industry on state revenues and

35   the need to restructure the commonwealth's tax framework, including the advisability of taxing

36   cryptocurrency transactions as part of the sales tax;

37   (d) The advisability of government agencies and relevant business enterprises, including

38   but not limited to cannabis retail stores, accepting payment in cryptocurrency;

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

40   (f) The consumer protection activities necessary to provide safeguards and offer

41   technological literacy to Massachusetts residents, including but not limited to the advisability of

42   licensure requirements;

43   (g) The best practices for enabling blockchain technology to benefit the commonwealth,

44   Massachusetts-based businesses, and Massachusetts residents, including an examination of

45   historical barriers to entry and participation in emerging technologies and markets for individuals

46   underrepresented in these industries and markets;

47   (h) The state agencies best equipped to provide oversight of blockchain technology and

48   the cryptocurrency industry, including with respect to consumer protection; and

49   (i) Any other related topic which the commission may choose to examine in relation to

50   blockchain technology.

51   The commission shall take input from a broad range of stakeholders with a diverse range

52   of interests affected by state policies governing emerging technologies, privacy, business,

53   finance, the courts, the legal community, and state and local government.

54   SECTION 5. Not later than one year after all appointments to the commission have been

55   made pursuant to section 3 of this act, the commission shall report to the general court the result

56   of its investigation and its master plan of recommendations to foster a positive blockchain

57   technology environment, together with drafts of legislation necessary to effect its

58   recommendations, by filing the same with the clerk of the house of representatives and the clerk

59   of the senate.