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SENATE JOINT MEMORIAL 9

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE SECRETARY OF INFORMATION TECHNOLOGY TO CONVENE
A BLOCKCHAIN TECHNOLOGY TASK FORCE TO EXAMINE AND REPORT ON THE
POTENTIAL BENEFITS AND RISKS TO THE PUBLIC ASSOCIATED WITH THE
USE OF BLOCKCHAIN TECHNOLOGY IN THE PUBLIC AND PRIVATE SECTORS.

WHEREAS, "blockchain technology" means a digital ledger or
database that uses a distributed, shared and replicated ledger,
either public or private, with or without permission, where the
data on the ledger is protected with cryptography and is
immutable and auditable; and

WHEREAS, advances in blockchain technology have allowed
for advances in record management and transaction processing,
thus allowing for the expanded management and storage of data
and digital items of value; and

WHEREAS, these advances in blockchain technology may have

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1 the potential to change business operating models within the
2 state, national and global economies and be a catalyst for
3 economic development; and

4 WHEREAS, these advances in blockchain technology may allow
5 for greater efficiencies in economic activities through
6 reducing the costs of verifying transactions, as blockchain
7 technology eliminates the need for a third party to verify,
8 monitor and complete financial transactions; and

9 WHEREAS, these advances in blockchain technology may
10 significantly change financial institutions, speeding up
11 transactions, allowing for more efficient person-to-person and
12 business-to-business transactions, lowering transaction costs
13 and providing expanded access to financial services; and

14 WHEREAS, these advances in blockchain technology have led
15 to innovations such as contracts that can be executed without
16 any human interaction; and

17 WHEREAS, these advances in blockchain technology may
18 fundamentally change the manner of numerous applications in
19 such areas as health care, energy, financial services,
20 telecommunications, payments, asset management and government
21 services; and

22 WHEREAS, the advances in blockchain technology have led to
23 its increasing use; and

24 WHEREAS, the advances in blockchain technology continue to
25 grow, and future developments and innovations will undoubtedly

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1 continue; and

2 WHEREAS, there is concern about disruption to existing
3 industries, worker displacement, cyberattacks, the involvement
4 of criminal enterprises and the use of blockchain technology on
5 the black market; and

6 WHEREAS, the current statutory and regulatory framework on
7 both the federal level and state level may not be equipped to
8 handle the blockchain technological advances; and

9 WHEREAS, the advances in blockchain technology raise
10 questions as to whether or not states or the federal government
11 should take action to promote or regulate the sectors
12 implicated by blockchain technology; and

13 WHEREAS, without wide-scale collaboration and coordination
14 on all levels of government, the potential risks related to
15 these technological advances may not be fully understood and
16 any benefits may not be realized;

17 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
18 STATE OF NEW MEXICO that the secretary of information
19 technology be requested to convene a task force to examine the
20 possible social and economic benefits and risks to the
21 residents of the state associated with the use of blockchain
22 technology in both the public and private sectors, including
23 the potential disruption to industries and the impact on public
24 and private workforces; and

25 BE IT FURTHER RESOLVED that the task force include the

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1 following individuals or their designees:

2 A. the secretary of economic development;

3 B. the attorney general;

4 C. the secretary of state;

5 D. the secretary of workforce solutions;

6 E. the secretary of information technology;

7 F. the secretary of general services;

8 G. the secretary of health;

9 H. the secretary of higher education;

10 I. the director of the financial institutions

11 division of the regulation and licensing department;

12 J. the director of the securities division of the

13 regulation and licensing department; and

14 K. members appointed by the secretary of

15 information technology, including a representative:

16 (1) from the banking industry;

17 (2) from a public post-secondary educational
18 institution operating in the state with expertise in business
19 and economics;

20 (3) from a labor organization;

21 (4) from a business actively engaged in the
22 development or use of blockchain technology; and

23 (5) with expertise in any other relevant area
24 as the secretary of information technology deems appropriate;

25 and

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1 BE IT FURTHER RESOLVED that the task force investigate:

2 A. the feasibility of using blockchain technology
3 for managing government records or delivery of services;

4 B. the advisability of creating limited exceptions
5 to state securities laws to encourage the responsible
6 development of blockchain-based funding tools for economic
7 development;

8 C. the advisability of amending laws to allow the
9 use of blockchain technology in the transaction of business in
10 the state, including contracting, business formation and
11 governance, recordkeeping, reporting, asset transfer and
12 security requirements;

13 D. the current and potential impact on existing
14 businesses and industries related to the use of blockchain
15 technologies;

16 E. the current and potential creation of new jobs
17 and the displacement of existing jobs related to the use of
18 blockchain technologies in both the public and private sectors;
19 and

20 F. any other related topic that the task force may
21 choose to examine in relation to blockchain technology; and

22 BE IT FURTHER RESOLVED that the task force report its
23 findings and recommendations to the interim legislative
24 committee dealing with economic and rural development issues by
25 September 1, 2021; and

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1 BE IT FURTHER RESOLVED that copies of this memorial be
2 transmitted to the governor, the secretary of economic
3 development, the attorney general, the secretary of state, the
4 secretary of workforce solutions, the secretary of information
5 technology, the secretary of general services, the secretary of
6 health, the secretary of higher education, the director of the
7 financial institutions division of the regulation and licensing
8 department and the director of the securities division of the
9 regulation and licensing department.