

State Corporation Commission 2024 Session Fiscal Impact Statement

1. Bill Number: SB339

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Salim

3. Committee: Commerce and Labor

4. Title: State Corporation Commission Bureau of Financial Institutions to study blockchain technology, digital asset mining, and cryptocurrency; report.

5. Summary: The Bureau of Financial Institutions (the Bureau) of the State Corporation Commission shall convene a work group for the purpose of studying and making recommendations related to blockchain technology, digital asset mining, and cryptocurrency and fostering the appropriate expansion of blockchain technology, digital asset mining, and cryptocurrency in the Commonwealth.

The work group shall consist of five members of the House of Delegates appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; five members of the Senate appointed by the Senate Committee on Rules; two non legislative citizen members who are members of the technology industry and have demonstrated knowledge of blockchain technology and its uses appointed by the Bureau; and one non legislative citizen member representing local government appointed by the Bureau.

The work group shall complete its meetings by November 1, 2024, and the Bureau shall submit to the Governor and the General Assembly an executive summary and a report of the work group's findings and recommendations no later than the first day of the 2025 Regular Session of the General Assembly.

6. Budget Amendment Necessary: Yes, Item 489 in the 2022– 2024 Biennium budget bill (HB29 and SB29) and Item 475 in the 2024 – 2026 Biennium budget bill (HB30 and SB30).

7. Fiscal Impact Estimates: Preliminary. See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$47,500	0	GF
2025	\$47,500	0	GF
2026	\$0	0	N/A

8. Fiscal Implications: The proposed legislation would have an impact on the State Corporation Commission as the Commission’s Bureau of Financial Institutions would need

to identify and appoint three work group representatives, prepare for and hold work group meetings, prepare the report to the Governor and General Assembly, as well as other miscellaneous coordination efforts.

The Commission would need to contract with one or more consultants with subject matter expertise in blockchain technology, digital asset mining, and cryptocurrency to assist with the study and report. The consulting expenditures are expected to total approximately \$80,000. The Commission will also need to cover overhead costs associated with the work group, including reimbursement of work group members' travel expenses. Assuming four working group meetings, these costs are expected to total \$15,000. Based on the deliverable timeframes specified in the legislation, the work group expenses would likely be split evenly between Fiscal Year 2024 and Fiscal Year 2025.

The working group will also require contributions from up to ten senior State Corporation Commission staff members. This legislation is one of several introduced bills and resolutions that provide for Commission and/or Bureau staff support. Additional hiring/positions may be required to absorb the aggregate impact of all such legislation.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission, Bureau of Financial Institutions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.