

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

AN ACT relating to trade and commerce; authorizing the state treasurer to issue Wyoming stable tokens as specified; providing definitions; requiring rulemaking; requiring a report; providing limitations; providing an appropriation; creating an oversight committee; providing for monitoring and independent auditing; and providing for effective dates.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 40-31-101 through 40-31-109 are created to read:

CHAPTER 31
WYOMING STABLE TOKEN ACT

40-31-101. Short title.

This act shall be known and may be cited as the "Wyoming Stable Token Act."

40-31-102. Definitions.

(a) As used in this act:

(i) "Committee" means the select committee on capital financing and investments of the Wyoming legislature;

(ii) "Financial institution" means any entity approved by the treasurer to act as a manager or otherwise to manage, operate and maintain Wyoming stable tokens;

(iii) "Investment funds committee" means the investment funds committee created by W.S. 9-4-720;

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

- (iv) "Notional value" means face value;
- (v) "Oversight committee" means the committee created by W.S. 40-31-109;
- (vi) "Token holder" means a person who lawfully owns one (1) or more Wyoming stable tokens;
- (vii) "Treasurer" means the office of the state treasurer;
- (viii) "Wyoming stable token" means the virtual currency issued by the treasurer pursuant to this act;
- (ix) "Virtual currency" means as defined in W.S. 34-29-101(a)(iv);
- (x) "This act" means W.S. 40-31-101 through 40-31-109.

40-31-103. Wyoming stable token authorized; value.

(a) The treasurer is authorized to issue Wyoming stable tokens as provided for in this act.

(b) A Wyoming stable token is a virtual currency representative of and redeemable for a United States dollar held in trust by the state of Wyoming as provided by W.S. 40-31-106. A stable token shall only be issued in exchange for a United States dollar.

40-31-104. Duties of the treasurer.

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

(a) This act shall be administered through the office of the state treasurer in accordance with this act and in consultation with the investment funds committee.

(b) The treasurer shall adopt rules and regulations as necessary to administer this act and to ensure compliance with state and federal law.

(c) The treasurer:

(i) In consultation with the investment funds committee and the oversight committee, may issue Wyoming stable tokens as provided in this act, and provide for matters related to issuance including the amount of Wyoming stable tokens to be issued, the means used to issue, maintain and manage the Wyoming stable tokens and the manner of and requirements for redemption;

(ii) In consultation with the investment funds committee and the oversight committee, may retain professional services, if necessary, including accountants, auditors, consultants and other experts;

(iii) Shall maintain, invest and reinvest the funds received for issuing Wyoming stable tokens and any earnings from those investments in accordance with investment policies recommended by the treasurer and approved by the investment funds committee and the oversight committee consistent with this act;

(iv) In consultation with the investment funds committee and the oversight committee, may make and enter into any and all contracts, agreements or arrangements and retain, employ and contract for the services of financial

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

institutions and research, technical and other services as necessary to implement this act;

(v) May seek rulings and other guidance from the United States department of the treasury, the internal revenue service and the United States securities and exchange commission relating to this act;

(vi) In consultation with the investment funds committee and the oversight committee, may select the financial institution or financial institutions to manage the Wyoming stable tokens;

(vii) Shall during the startup phase report not less than monthly to the investment funds committee and the oversight committee regarding all actions taken to implement this act;

(viii) After April 1, 2023, shall report not less than quarterly to the investment funds committee and the oversight committee regarding all activities involving this act;

(ix) Prior to issuing any Wyoming stable tokens, the chair of the oversight committee shall appear before the committee to present a comprehensive report on all actions taken under this act.

40-31-105. Wyoming stable token account.

(a) The Wyoming stable token account is created. The state treasurer shall deposit all funds received through the issuance of a Wyoming stable token in the account. Funds within the account, including all funds deposited to the account from any source, shall be held in trust to

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

support redemption of a Wyoming stable token except that funds in the account shall be available to satisfy the other obligations placed on the account in this act. The state treasurer shall invest funds within the account exclusively in United States treasury bills. By creation of this trust, the state does not create any fiduciary duty to token holders.

(b) Not less than one hundred percent (100%) of the notional value of all outstanding issued Wyoming stable tokens shall be maintained in the Wyoming stable token account. All earnings paid on funds and investments in the account shall be deposited in the account. Account funds in excess of one hundred two percent (102%) of the notional value of all outstanding issued Wyoming stable tokens shall be first expended to pay for the operational costs of this act and repay all funds expended by the treasurer authorized herein with any remainder being distributed equally, on a quarterly basis, between the common school permanent fund reserve account, the school foundation program account created by W.S. 21-13-306(a) and the permanent Wyoming mineral trust fund reserve account.

40-31-106. Redemption.

The Wyoming stable token shall be redeemable for a United States dollar upon demand to the treasurer as set forth by rule of the treasurer. The value of the Wyoming stable token upon redemption shall be one (1) United States dollar for each one (1) Wyoming stable token unless the interest rate of United States treasury bills at the time of redemption are negative or the total assets divided by the number of outstanding Wyoming stable tokens is less than one (1) dollar, in which case the value of the Wyoming stable token upon redemption shall be the liquidated value

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

of the United States treasury bill as determined by rule of the state treasurer. In no case shall the redemption result in the state paying a higher amount than the total assets divided by the number of outstanding Wyoming stable tokens after all expenses have been paid as determined by the treasurer and auditor as provided by rules and regulations.

40-31-107. Limitations.

Under rules adopted by the treasurer, every contract, application or other similar document that may be used in connection with the purchase of Wyoming stable tokens shall clearly indicate that the Wyoming stable token is not insured by this state and the principal deposited is not guaranteed by the state beyond the notional value of the Wyoming stable token account.

40-31-108. Limitations on liability.

(a) The state shall not be liable to any person for any amount beyond the notional value of the fund maintained in the Wyoming stable token account. Any Wyoming stable tokens issued under this act are payable and collectable solely out of the Wyoming stable token account. Token holders shall not look to any general or other fund for redemption of any Wyoming stable tokens. The Wyoming stable tokens shall not constitute any indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation. The tokens shall not be considered or held to be general obligations of the state but shall constitute special obligations of the state and the treasurer shall not pledge the state's full faith and credit for redemption of any Wyoming stable token.

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

(b) The state, state officials and state employees shall be entitled to immunity from liability, including defense, in connection with any contract or transaction involving or related to Wyoming stable tokens under this act. The state shall be entitled to collect attorney fees and costs from any party who brings an unsuccessful action on the notional value of a token.

(c) Any case relating to the Wyoming stable token shall be brought only in the Wyoming chancery court.

40-31-109. Oversight committee; auditing and monitoring; independent audit.

(a) The oversight committee is created to be composed of:

(i) The designated chief investment officer retained pursuant to W.S. 9-4-715(a), who shall act as chairman;

(ii) The auditor or his designee;

(iii) The governor or his designee;

(iv) One (1) senator chosen by the president of the senate;

(v) Two (2) house members chosen by the speaker of the house;

(vi) One (1) subject matter expert as an advisory member, if the oversight committee chooses to appoint one.

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

(b) The oversight committee shall perform the duties and oversight required by this act. Members of the committee who are not employees or elected officials of the state of Wyoming shall be paid expenses in the manner and amount prescribed for state employees under W.S. 9-3-102 and 9-3-103 for each day of attending and traveling to and from meetings and other activities necessary to the performance of the duties of the committee.

(c) The oversight committee shall oversee the review and audit of the operations and transactions implemented pursuant to this act. As the oversight committee deems appropriate, this oversight may include commissioning of independent audits as necessary. Costs incurred to perform audits and reviews of the implementation of this act are operational costs as provided for in W.S. 40-31-105(b).

Section 2. W.S. 9-1-409(a) by creating a new paragraph (vi) and 9-4-720(f) by creating a new paragraph (vi) are amended to read:

9-1-409. State treasurer; duties generally; demand accounts; state revenues paid to treasurer.

(a) The state treasurer shall:

(vi) Perform all duties required of the treasurer under the Wyoming Stable Token Act.

9-4-720. Investment funds committee created; duties.

(f) The committee shall:

(vi) Monitor investments in the Wyoming stable token account and consult with the state treasurer

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

regarding the issuance and management of Wyoming stable tokens.

Section 3.

(a) Except as provided in subsection (b) of this section, the state treasurer shall issue a Wyoming stable token not later than December 31, 2022.

(b) The attorney general shall monitor the issuance of the Wyoming stable token to ensure it is permissible under federal and state law. If, after assessing available legal options, the attorney general determines that issuing a Wyoming stable token is not permissible under either federal or state law, the state treasurer shall not issue a Wyoming stable token and shall provide a report not later than November 1, 2022 to the select committee on capital financing and investments stating the reasons for not issuing a Wyoming stable token and providing recommendations that would allow for issuance in the future.

Section 4.

(a) The state treasurer shall promulgate all rules necessary to implement this act.

(b) From special revenue amounts appropriated to the state treasurer's office in 2020 Wyoming Session Laws, Chapter 80, Section 2, Section 004, investments and financial accounting division as amended by 2022 Wyoming Session Laws, Chapter 69, Section 2, Section 004 and from special revenue amounts appropriated in 2022 Senate File 0001, Section 2, Section 004, investments and financial accounting division, as enacted, the treasurer is

ENROLLED ACT NO. 50, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

authorized to expend up to five hundred thousand dollars (\$500,000.00) in aggregate of that special revenue to effectuate the provisions of this act. These funds shall be repaid pursuant to W.S. 40-31-105(b).

Section 5.

(a) Except as provided in section (b) of this section, this act is effective July 1, 2022.

(b) Sections 3 through 5 of this act are effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk