

BILL ANALYSIS

Senate Research Center
87R9909 SRA-F

H.B. 1576
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties have stated that blockchain technology is an incorruptible digital ledger of economic transactions that is verified by computers, carries no transaction cost, and boasts the ability to transfer relative information from point A to point B (and so on) in a secure, fully automated manner. While interested parties have noted the critical need to adopt blockchain practices, specifically in business and commerce, the state's legal infrastructure must be assessed to properly implement this innovative technology. H.B. 1576 seeks to establish a work group to study blockchain technology. The work group would develop a master plan with recommended policies and state investments to promote the expansion of blockchain technology in this state.

H.B. 1576 amends current law relating to the creation of a work group on blockchain matters concerning this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Defines "blockchain" and "work group."

(b) Provides that the work group on blockchain matters (work group) is composed of the following 16 members:

- (1) one member of the Texas House of Representatives (house) appointed by the speaker of the house;
- (2) one member of the Texas Senate (senate) appointed by the lieutenant governor;
- (3) two members representing institutions of higher education appointed by the governor;
- (4) one ex-officio member representing the Texas Department of Information Resources appointed by the governor;
- (5) one ex-officio member representing the secretary of state appointed by the governor; and
- (6) 10 members of the public, five of whom are appointed by the speaker of the house and five of whom are appointed by the lieutenant governor, who have knowledge and experience in blockchain technology or who represent an industry that would benefit from the use of blockchain technology.

(c) Requires the governor to designate a member of the work group appointed under Subsection (b)(3) of this section to serve as chair of the work group. Requires the members of the work group appointed under Subsections (b)(1) and (2) of this section to serve as co-vice chairs of the work group.

(d) Provides that a member of the work group is prohibited from receiving compensation for serving on the work group but is entitled to reimbursement for expenses incurred by the member in the performance of official duties as a member of the work group as provided by the General Appropriations Act.

(e) Requires the work group to meet at the call of the chair.

(f) Requires the work group to develop a master plan for the expansion of the blockchain industry in this state and recommend policies and state investments in connection with blockchain technology. Requires the work group, in developing the master plan, to:

(1) identify economic growth and development opportunities presented by blockchain technology;

(2) assess the existing blockchain industry in this state;

(3) review workforce needs and academic programs required to build blockchain expertise across all relevant industries; and

(4) make any legislative recommendations that will help promote innovation and economic growth by reducing barriers to and expediting the expansion of the state's blockchain industry based on its findings under Subdivisions (1)-(3) of this subsection.

(g) Authorizes the chair of the work group to create sub-work groups at the chair's discretion for the efficient operation of the work group. Requires the chair to appoint the chair of each sub-work group. Authorizes the chair of a sub-work group to invite other members of the work group to serve on the sub-work group. Authorizes a sub-work group to consult with subject matter experts.

(h) Requires the work group, not later than October 31, 2022, to submit a report that includes the master plan developed under Subsection (f) of this section and any findings and recommendations from the sub-work groups appointed under Subsection (g) of this section to each standing committee of the senate and house with primary jurisdiction over economic development or technology issues.

(i) Authorizes the work group to adopt rules, procedures, and policies as necessary to administer this section and implement the responsibilities of the work group.

(j) Provides that this Act expires and the work group is abolished June 30, 2023.

SECTION 2. Requires the governor, lieutenant governor, and speaker of the house, as soon as practicable, but not later than October 1, 2021, to appoint the members of the work group established by this Act.

SECTION 3. Requires the work group to hold its initial meeting not later than November 1, 2021.

SECTION 4. Effective date: September 1, 2021.