



Senate

General Assembly

File No. 384

January Session, 2019

Substitute Senate Bill No. 1032

Senate, April 3, 2019

The Committee on Commerce reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT REQUIRING THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT TO DEVELOP A PLAN TO INCORPORATE BLOCKCHAIN TECHNOLOGY IN THE ADMINISTRATION OF A STATE FUNCTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Blockchain technology" means distributed ledger technology
3 that uses a distributed, decentralized, shared and replicated ledger that
4 may be public or private, permissioned or permissionless and that may
5 include the use of electronic currencies or electronic tokens as a
6 medium of electronic exchange; and
- 7 (2) "Distributed ledger technology" means any database that is
8 consensually shared and synchronized across multiple sites,
9 institutions or geographies allowing for public witnesses to such
10 transactions and may include supporting infrastructure, including
11 blockchain technology.

12 (b) On or before October 1, 2020, the Secretary of the Office of Policy
13 and Management, in consultation with the Chief Information Officer of
14 the Division of Information Technology within the Department of
15 Administrative Services, shall develop a plan to incorporate blockchain
16 technology to make a state administrative function more efficient.

17 (c) Not later than October 1, 2021, the secretary shall submit such
18 plan to the joint standing committees of the General Assembly having
19 cognizance of matters relating to commerce and government
20 administration.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

CE Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Policy & Mgmt., Off.	GF - Potential Cost	Up to \$20,000	Up to \$20,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to develop a plan to use block chain technology to make the state's administrative function more efficient. It is anticipated that OPM may need to hire a consultant for assistance in developing this plan, which is estimated to cost up to \$20,000. Due to the timing of the bill, this cost will be incurred in either FY 20 or FY 21.

The Out Years

The fiscal impact identified above is a one-time cost. There is no fiscal impact in the out years.

OLR Bill Analysis**sSB 1032*****AN ACT REQUIRING THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT TO DEVELOP A PLAN TO INCORPORATE BLOCKCHAIN TECHNOLOGY IN THE ADMINISTRATION OF A STATE FUNCTION.*****SUMMARY**

This bill requires the Office of Policy and Management (OPM) secretary to develop a plan to incorporate blockchain technology to make a state administrative function more efficient. He must do so by October 1, 2020, and in consultation with the Department of Administrative Service's Division of Information Technology's chief information officer. By October 1, 2021, the OPM secretary must submit the plan to the Commerce and Government Administration and Elections committees.

The bill defines "blockchain technology" as "distributed ledger technology" that uses a distributed, decentralized, shared, and replicated ledger that may (1) be public or private, (2) be permissioned or permissionless, and (3) include electronic currencies or tokens as an electronic exchange medium. "Distributed ledger technology" is any database that is consensually shared and synchronized across multiple sites, institutions, or geographies allowing for public witnesses to such transactions; it may include supporting infrastructure, such as blockchain technology.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/19/2019)