

Blockchain Working Group Meeting Minutes

June 28, 2018

12:00 PM Building and Land Technology, Stamford CT

I. Convene Meeting:

The meeting was called to order at 12:10 PM by Senator Frantz.

The following working group members were present:

Sen. Joan Hartley, Sen. L. Scott Frantz, Rep. Caroline Simmons, Rep. Dave Yaccarino, Spencer Curry, Bryant Eisenbach, Steve Capone on behalf of Stephen Ehrlich, Margaret Feeney, Emily Goodman Binick, Kevin Hart, Jamil Hasan, Nick Kammerman, Professor David Noble, Don Tirea

Absent were:

Commissioner Catherine Smith and Professor Phillip Bradley

II. Introductions by Members

Senator Frantz introduced himself and welcomed the group and explained that the purpose of today's meeting and future meetings was to develop legislation for the 2019 legislative session to make Connecticut one of the most Blockchain friendly states. Senator Hartley and Representatives Simmons and Yaccarino also echoed that statement and expressed great excitement about the depth of talent and knowledge in the group to help make that happen.

Chairman of the working group Nick Kammerman took over the lead in discussing all subsequent issues on the meeting agenda.

III. Goals/ Mission Statement

- The goal of the working group is to embrace all tech companies and not limiting legislation to certain entities such as Bitcoin. Adding the words "digital assets" or "crypto assets" in order to be broad but also include that the state of CT is blockchain and token friendly.

- Idea that there cannot be an enterprise blockchain system without talking about some kind of token.
- Suggested simplified goal of economic growth.
- Agreement to have a further discussion about Mission Statement in later meetings.

IV. Blockchain Basics

- Blockchain = transferring and tracking of digital assets through a consensus i.e.: ledger
- The generation of a crypto asset= it being a reward or incentive for making the network more secure. There being two key players” Miners and validators. As an interpretation taking “miners” literal: there is a cost (electricity) to mining and therefore a reward such as gold was the reward for mining. That is what adds value to the crypto coin.
- Suggested literature:
 - *Blockchain Ethics: A Bridge to Abundance* by Jamil Hasan
 - *The Internet of Money* by Andreas M. Antonopoulos

V. Focusing on specific areas:

Tax treatments:

- Create tax incentives for companies that create blockchain products or use them who are currently in the state or coming to the state.
- Use tax credits for mining equipment
- A question raised: How public do miners want to make their mining.
- Thinking about mining in a synergistic way.
- Figuring out how the state of CT can implement a system to help blockchain/cryptocurrency companies and individuals pay taxes and fees.

Legal contract considerations:

- Changing laws to give blockchain industries access to banks in order to pay taxes.
- Implement students to help build the system.
- Data sharing: value ties of blockchain are necessary when there are economic transactions.
- To give legal effect to blockchain the enabling technology needs to be discussed.
- Figuring out the micro economy is tied in.

Promotion:

- Attracting activity of the Market to the state both internal and external. Raising awareness where this discussion has already happened.
- Implement structure to the top employers and industries in the state.
- Adding education and the empirical aspect of how to use blockchain.

Legislative Process:

- Clear and concise legislation will allow people to want to come to the state.
- Doing away with non-competes.
- Drafting as many bills necessary to ensure the success of blockchain in the state

VI. Focus for Next Meeting:

- All members asked to bring tax questions from all perspectives
- Discuss a way for companies that only utilize bitcoin to be able to pay taxes; whether that includes contracting a third party contract to exchange the currency in to USD if the state decides it does not want to hold bitcoin or other crypto assets.
- Discuss money transmitter licensing that will be essential in attracting companies to the State (NY Issue).
- Promotion to be further discussed at the third meeting.

Meeting Adjourned: 2:00pm