

## **BILL ANALYSIS**

C.S.H.B. 1576  
By: Parker  
Pensions, Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Blockchain technology is a system of recording information in a way that makes it difficult or impossible to change, hack, or cheat by way of a digital ledger of economic transactions. Through blockchain technology, transactions are verified by computers, carry no transaction costs, and boast the ability to transfer information in a secure, fully automated manner. There have been calls to adopt the technology, particularly in business and commerce, but only after assessing the state's legal infrastructure to determine how the technology can be properly implemented. C.S.H.B. 1576 seeks to establish a work group to study blockchain technology that will develop a master plan with recommended policies and state investments to promote the expansion of blockchain technology in Texas.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1576 establishes a work group to develop a master plan for the expansion of the blockchain industry in Texas and recommend policies and state investments in connection with blockchain technology. The bill provides for the work group's composition and for the designation of a chair and co-vice chairs. The work group meets at the call of the chair. The bill prohibits a member of the work group from receiving compensation for serving on the work group but entitles a member to certain expense reimbursement. The bill requires the work group, in developing the master plan, to do the following:

- identify economic growth and development opportunities presented by blockchain technology;
- assess the existing blockchain industry in Texas;
- review workforce needs and academic programs required to build blockchain expertise across all relevant industries; and
- 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 in developing the master plan.

The bill provides for the creation of sub-work groups and authorizes a sub-work group to consult with subject matter experts.

C.S.H.B. 1576 requires the work group, not later than October 31, 2022, to submit a report that includes the master plan and any findings and recommendations from the sub-work groups to

each standing committee of the senate and house of representatives with primary jurisdiction over economic development or technology issues. The bill authorizes the work group to adopt rules, procedures, and policies as necessary to administer and implement the responsibilities of the work group. The bill's provisions expire and the work group is abolished June 30, 2023.

C.S.H.B. 1576 requires the governor, lieutenant governor, and speaker of the house of representatives to appoint the members of the work group not later than October 1, 2021, and requires the work group to hold its initial meeting not later than November 1, 2021.

**EFFECTIVE DATE**

September 1, 2021.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1576 differs from the original/engrossed in minor or nonsubstantive ways to make technical corrections.