

ARIZONA STATE LEGISLATURE

BLOCKCHAIN AND CRYPTOCURRENCY STUDY COMMITTEE

Minutes of the Meeting
October 27, 2021
1:30 P.M., House Hearing Room 1

Members Present:

Senator Wendy Rogers*
Dr. Dragan Boscovic*
Benjamin Brockwell*
Mason Cave
Evan Daniels*
Neeraj Deshpande
Sam Fox*
Nitin Gaur*

Representative Justin Wilmeth, Co-Chair
Representative Jeff Weninger
Gabriella Kusz*
Ken Ramirez
Mark Stewart
Ryan Taylor*
Noel Thomas
Kyle Weber*

Members Excused:

Senator David Gowan, Co-Chair
Senator Rebecca Rios
Representative Alma Hernandez

*Participated remotely via a teleconference platform.

Staff:

Paul Benny, House Senior Research Analyst
Molly Graver, Senate Research Analyst
Kiyahna Araza, Senate Research Assistant Analyst

Co-Chairman Wilmeth called the meeting to order at 1:35 p.m. and attendance was noted.

Representative Wilmeth welcomed the Committee and requested the documents (Attachment A) from the Blockchain and Cryptocurrency Planning Session dated September 27, 2021 be entered into the record. Representative Wilmeth stated without objection, so ordered.

DISCUSSION ON BLOCKCHAIN AND CRYPTOCURRENCY

Other states' work

Mark Stewart spoke about research in other states. Mark Stewart electronically distributed a handout entitled "State Virtual Currency Overview", by Mark Montoya (Attachment B).

Ryan Taylor explained how Wyoming was leading the charge and the legislative changes relating to digital assets. He further explained laws, insurance, consumer protection and blockchain and cryptocurrency infrastructure and answered questions posed by the Committee.

Mark Stewart agreed that the mission of this technology is to make Arizona attractive to global business and to be at the forefront in this advancing technology.

Gabriella Kusz discussed the benefits of laying the groundwork now for regulations and trends for the upcoming digital industry. Ms. Kusz answered questions posed by the Committee.

Representative Weninger reiterated the purpose of the technology and stated that the public wants clarity on blockchain and cryptocurrency and perhaps using it to make government more efficient.

Ryan Taylor responded to questions from the Committee on where Arizona is in relation to other states, specifically Wyoming.

Sam Fox gave an overview of the Arizona FinTech Sandbox.

Representative Weninger gave an example for the use of Sandbox technology and how regulating it could be good for different industries.

The Committee discussed examples of using blockchain technology for farmers crops and real-estate transactions.

Global framework

Representative Weninger explained the global market and posed a question to the Committee of how Arizona could compete in the market.

Nitin Gaur responded to Representative Weninger's question and discussed three categories. Global infrastructure, taxation classification, capital gains and asset treatment.

PUBLIC TESTIMONY

Drew Pendleton, representing himself, explained how Miami is using blockchain and cryptocurrency and expressed support for the technology.

The Committee discussed marketing, implementing systems and educating the public on blockchain and cryptocurrency technology. They discussed having an Arizona coin and how other states are using digital currency.

Representative Wilmeth discussed preparing proposals for future legislation to discuss at the next meeting which is tentatively set for November 17th at 1:30 p.m.

Attached is a form noting the individual who submitted a Speaker slip on the agenda items (Attachment C).

There being no further business, the meeting was adjourned at 2:51 p.m.

Respectfully submitted,

Tracey Gardner
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)