



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1247

FINAL
FISCAL NOTE

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|-------------------------|---|------------------------|---|
| Drafting Number: | LLS 19-0798 | Date: | July 18, 2019 |
| Prime Sponsors: | Rep. Valdez D.; Catlin Sen. Donovan; Coram | Bill Status: | Signed into Law |
| | | Fiscal Analyst: | Clare Pramuk 303-866-2677 clare.pramuk@state.co.us |

Bill Topic: STUDY AGRICULTURAL APPLICATIONS FOR BLOCKCHAIN

Summary of Fiscal Impact:

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| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure (<i>conditional</i>) | <input type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

If sufficient gifts, grants, or donations are received, the bill authorizes the Commissioner of Agriculture to appoint and convene an advisory group to study potential applications for blockchain technology in agricultural operations during FY 2019-20.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

If sufficient gifts, grants, or donations are received, the bill authorizes the Commissioner of Agriculture to appoint and convene an advisory group to study potential applications for blockchain technology in agricultural operations. The advisory group consists of the commissioner or her designee, one or more members of the Colorado Council for the Advancement of Blockchain Technology in the Office of Economic Development, and representatives from the agricultural and environmental communities. The advisory group may use private data furnished on a voluntary basis as part of its study. The commissioner must ensure that any private data received remains secure in databases maintained by the department and is not shared or disseminated without the written permission of the owner of the data.

If the advisory group is convened, the commissioner or her designee is required to present a summary of the group's findings and possible legislation to the General Assembly on or before January 15, 2020. The advisory group is repealed July 1, 2020.

Background

Blockchain is the technology underlying cryptocurrency that can be used as a distributed ledger. Each block contains a cryptographic hash that links to the previous block, its own hash, a date and time stamp, and transaction data. Transactions using blockchain are considered secure and made with decentralized peer-to-peer technology rather than going through a centralized third party.

State Expenditures

The Department of Agriculture has the legal authority to expend gifts, grants, and donations received for the study. If the commissioner determines that sufficient funding is received, she will appoint and convene the advisory group and conduct the study.

Effective Date

The bill was signed into law by the Governor on May 30, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture Office of Economic Development