

Summary of Legislation

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 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 The advisory group is repealed July 1, 2020.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.

Assumptions

The fiscal note assumes the advisory group will meet four times between September and December 2019 at the Department of Agriculture (CDA) offices.

State Expenditures

This bill will increase General Fund expenditures by at least \$25,000 in FY 2019-20 only for the CDA. The commissioner will appoint and convene the advisory group and the CDA will contract with a consultant to provide technological support to the group. This is estimated to cost \$25,000, but could be higher depending on the amount of expertise that members of the advisory group bring to the process.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$25,000 to the Department of Agriculture.

State and Local Government Contacts

Agriculture Office of Economic Development and International Trade