

On Apr 17, 2018, at 10:34 PM, Winters, Chris <chris.winters@sec.state.vt.us> wrote:

Dear Rep. Botzow and Committee:

I would like to bring to your attention some language recently added to the blockchain bill in Section 3 at page 7 and ask that you consider the following:

The language in section (a) correlates to the context of the existing bill and DHR's jurisdiction under current law: *"The Department of Financial Regulation shall review the potential application of blockchain technology to the provision of insurance and banking and consider areas for potential adoption and any necessary regulatory changes in Vermont."*

The language in section (b), however, does not correlate to the context of the existing bill and jurisdiction on matters related to public records does NOT fall under the Department of Financial Regulation: *"The Department, in collaboration with the Vermont League of Cities and Towns, shall: (1) review the experience of municipal or State authorities with the use of blockchain technology for public records; and (2) provide educational resources, and explore opportunities, for employing blockchain technology in municipal or State government activities."*

The Secretary of State's office recommends you remove section (b). We believe it is inappropriate to recommend or entertain language concerning the management of public records within the context of this bill. It is also inappropriate to propose that DFR, which has no statutory authority in the management of public records, study and report on the use of blockchain technology for public records.

The Secretary of State's office does assist towns in developing records management plans and schedules and its State Archives and Records Administration division (VSARA) does have the statutory charge of administering and implementing records management programs for the state and assists towns in doing the same.

We have an active municipal records group and do plan to incorporate a blockchain discussion into our future meetings to see if anything has changed since we last reported on the subject to the Legislature in 2016.

https://www.sec.state.vt.us/media/762500/vermontstudycommittee_blockchaintechnology_opportunitiesandrisks_finalreport_2016.pdf

In the findings and conclusions of that report, the Vermont State Archives and Records Administration within the Secretary of State's Office, which does have jurisdiction on matters related to public records, concluded:

1. Blockchain technology adds little in terms of public recordkeeping; and
2. Blockchain technology would be of limited value in conducting state business.

Sincerely,

Chris

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