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│ H.B. No. 0070      Open blockchain tokens-exemptions.       │
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Sponsored By:         Representative(s) Lindholm, Brown, Clem, Harshman,
                      Larsen, Miller and Olsen and Senator(s) Agar, Case,
                      Driskill, Nethercott and Rothfuss

AN ACT relating to securities; providing that a person who develops, sells or
facilitates the exchange of an open blockchain token is not subject to
specified securities and money transmission laws; providing specified
verification authority to the secretary of state and banking commissioner;
making conforming amendments; and providing for an effective date.

1/24/2018   Bill Number Assigned
2/9/2018    H Received for Introduction
2/13/2018   H Introduced and Referred to H09 - Minerals 60-0-0-0-0

                              **ROLL CALL**
**Ayes:** Representative(s) Allen, Barlow, Biteman, Blackburn, Blake, Bovee,
Brown, Burkhart, Byrd, Clausen, Clem, Connolly, Court, Crank, Dayton,
Edwards, Eklund, Eyre, Flitner, Freeman, Furphy, Gierau, Gray, Greear, Haley,
Hallinan, Halverson, Harshman, Henderson, Hunt, Jennings, Kinner, Kirkbride,
Larsen, Laursen, Lindholm, Lone, Loucks, MacGuire, Madden, Miller, Nicholas,
Northrup, Obermueller, Olsen, Paxton, Pelkey, Piiparinen, Pownall, Salazar,
Schwartz, Simpson, Sommers, Steinmetz, Stith, Sweeney, Walters, Wilson,
Winters, Zwonitzer
**Ayes** 60   **Nays** 0   **Excused** 0   **Absent** 0   **Conflicts** 0

2/14/2018   H09 - Minerals:Recommend Amend and Do Pass 8-1-0-0-0

                              **ROLL CALL**
**Ayes:** Representative(s) Clausen, Crank, Eyre, Gray, Greear, Henderson,
Lindholm, Loucks
**Nays:** Representative Byrd
**Ayes** 8   **Nays** 1   **Excused** 0   **Absent** 0   **Conflicts** 0

2/14/2018   H Placed on General File

**HB0070HS001/ADOPTED**
Page 2-line 7          Delete "for" and insert "or provided for the purposes
                       of receiving".
Page 2-line 12         After "into" delete balance of line and insert "any
                       agreement, arrangement or scheme with the principal
                       intent and effect of manipulating or attempting to
                       manipulate the price of the token on a secondary
                       market.".
Page 2-line 21         After "exchange" delete ":" and insert "conforms to
                       the requirements of paragraphs (a)(i), (ii) and (iii)
                       of this section; and".
Page 3-lines 1 through 6   Delete entirely.
Page 8-line 12         After "effective" delete balance of line and  insert
                       "immediately upon completion of all acts necessary
                       for a bill to become law as provided by Article 4,
                       Section 8 of the Wyoming Constitution.".  GREEAR,
                       CHAIRMAN

2/15/2018   H COW:Passed
2/16/2018   H 2nd Reading:Passed

**HB0070H3001/ADOPTED**
Page 1-line 13         After "(a)" insert "Except as otherwise provided by
                       subsection (c) of this section,".

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Page 2-line 2          Delete "17-4-510" and insert "17-4-412 and 17-4-504".
Page 2-line 14         After "(b)" insert "Except as otherwise provided by
                       subsection (c) of this section,".
Page 2-line 18         Delete "17-4-510" and insert "17-4-412 and 17-4-504".
Page 3-after line 10   Insert and renumber as necessary:
     "(c)  Notwithstanding any other provision of law, a developer, seller
or a person who facilitates the exchange of an open blockchain token is
subject to the provisions of W.S. 17-4-501 through 17-4-503 and 17-4-505
through 17-4-510 only to the extent necessary to carry out those sections.".
Page 3-line 12         Delete "(c)" and insert "(d)".
Page 5-line 13         After "W.S." insert "17-4-206(d) and subject to
                       W.S.".
Page 5-line 17         After "17-4-206(a)" insert "and (c)".
Page 7-line 7          Delete "17-4-206(c)" and insert "17-4-206(d), except
                       as required by that section".
Page 8-line 10         Delete "17-4-206(c)" and insert "17-4-206(d)".
                       LINDHOLM
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**HB0070H3002/WITHDRAWN**

2/19/2018   H 3rd Reading:Passed 60-0-0-0-0

<div align="center"><strong>ROLL CALL</strong></div>

**Ayes:**  Representative(s) Allen, Barlow, Biteman, Blackburn, Blake, Bovee,
Brown, Burkhart, Byrd, Clausen, Clem, Connolly, Court, Crank, Dayton,
Edwards, Eklund, Eyre, Flitner, Freeman, Furphy, Gierau, Gray, Greear, Haley,
Hallinan, Halverson, Harshman, Henderson, Hunt, Jennings, Kinner, Kirkbride,
Larsen, Laursen, Lindholm, Lone, Loucks, MacGuire, Madden, Miller, Nicholas,
Northrup, Obermueller, Olsen, Paxton, Pelkey, Piiparinen, Pownall, Salazar,
Schwartz, Simpson, Sommers, Steinmetz, Stith, Sweeney, Walters, Wilson,
Winters, Zwonitzer
**Ayes** 60   **Nays** 0   **Excused** 0   **Absent** 0   **Conflicts** 0

2/20/2018   S Received for Introduction
2/22/2018   S Introduced and Referred to S09 - Minerals
2/23/2018   S09 - Minerals:Recommend Amend and Do Pass 4-1-0-0-0

<div align="center"><strong>ROLL CALL</strong></div>

**Ayes:**  Senator(s) Coe, Perkins, Rothfuss, Von Flatern
**Nays:**  Senator Anderson
**Ayes** 4   **Nays** 1   **Excused** 0   **Absent** 0   **Conflicts** 0

2/23/2018   S Placed on General File

**HB0070SS001/ADOPTED          (TO ENGROSSED COPY)**
Page 4-lines 6 and 7   Delete entirely and insert:
          "(B) By deploying computer code to a blockchain network
that allows for the creation of digital tokens or other units; or". VON
FLATERN, CHAIRMAN

2/28/2018   S COW:Passed
3/1/2018    S 2nd Reading:Passed
3/2/2018    S 3rd Reading:Laid Back
3/5/2018    S 3rd Reading:Laid Back

**HB0070S3001/ADOPTED          (TO ENGROSSED COPY)**
Page 1-line 4          After "laws;" insert "providing specified
                       verification authority to the secretary of state and
                       banking commissioner;".
Page 2-lines 6 through 16     Delete entirely and insert:
          "(i) The developer or seller of the token, or the registered
agent of the developer or seller, files a notice of intent with the secretary

of state, as specified in subsection (d) of this section;

          (ii) The purpose of the token is for a consumptive purpose, which shall only be exchangeable for, or provided for the receipt of, goods, services or content, including rights of access to goods, services or content; and

          (iii) The developer or seller of the token did not sell the token to the initial buyer as a financial investment. This paragraph shall only be satisfied if:

               (A) The developer or seller did not market the token as a financial investment; and

               (B) At least one (1) of the following is true:

                    (I) The developer or seller of the token reasonably believed that it sold the token to the initial buyer for a consumptive purpose;

                    (II) The token has a consumptive purpose that is available at the time of sale and can be used at or near the time of sale for use for a consumptive purpose;

                    (III) If the token does not have a consumptive purpose available at the time of sale, the initial buyer of the token is prevented from reselling the token until the token is available for use for a consumptive purpose; or

                    (IV) The developer or seller takes other reasonable precautions to prevent buyers from purchasing the token as a financial investment.".

Page 3-after line 2    Insert:

    "(i) The person, or the registered agent of the person, files a notice of intent with the secretary of state, as specified in subsection (d) of this section;".

Page 3-line 4         Delete "(i)" and insert "(ii)".
Page 3-line 9         Delete "(ii)" and insert (iii)".

Page 3-line 18         After "sections." insert "The secretary of state shall have the authority provided under W.S. 17-4-601 through 17-4-613 to determine compliance with the provisions of this section, including whether a person qualifies for the exemptions set forth in this section. The evidentiary burdens specified in W.S. 17-4-503 shall apply in any proceeding initiated by the secretary of state pursuant to this subsection.".

Page 3-after line 18    Insert:

    "(d) A developer, seller or a person who facilitates the exchange of an open blockchain token, or the registered agent of the applicable person, shall electronically file a notice of intent with the secretary of state before the person shall qualify for an exemption under this section. The notice of intent shall contain the name of the person acting as a developer, seller or facilitator, the contact information of the person or the registered agent of the person and specify whether the person will be acting as a developer, seller or facilitator. A secure form shall be made available by the office of the secretary of state on its internet website for this purpose.".

Page 3-line 20        Delete "(d)" and insert "(e)".
Page 4-line 23        After "(F)" delete "and" and insert ",".
Page 5-line 1         After "(vi)" insert "and 40-22-126 by creating a new subsection (b) and by renumbering subsections (b) through (f) as (c) through (g)".
Page 5-line 21       Delete "<u>17-4-206(d)</u>" and insert "<u>17-4-206(e)</u>".
Page 7-line 15       Delete "<u>17-4-206(d)</u>" and insert "<u>17-4-206(e)</u>"; delete "<u>required</u>" and insert "<u>provided</u>".
Page 8-line 18       Delete "<u>17-4-206(d)</u>" and insert "<u>17-4-206(e)</u>".
Page 8-after line 18    Insert:

    **"40-22-126.   Unlicensed persons; verification authority regarding exemptions.**

(b) If the commissioner has reason to believe a person is engaged in or is about to engage in any activity which would be subject to this act but for an exemption asserted pursuant to W.S. 40-22-104(a)(vi), and the commissioner has reason to believe the requirements of W.S. 40-22-104(a)(vi) have not been met, the commissioner may issue an order to show cause why an order to cease and desist the activity should not issue.

(c)(b) In an emergency, the commissioner may petition the district court for the issuance of a temporary restraining order.

(d)(c) An order to cease and desist becomes effective upon service upon the person.

(e)(d) An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to W.S. 40-22-127 and 40-22-128.

(f)(e) A person served with an order to cease and desist for violating W.S. 40-22-103 may petition the district court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to W.S. 40-22-127 and 40-22-128.

(g)(f) The commissioner shall commence a contested case proceeding within twenty (20) days after issuing an order to cease and desist.".
PERKINS, DRISKILL, ROTHFUSS


3/6/2018     S 3rd Reading:Passed 27-3-0-0-0

**ROLL CALL**

**Ayes:** Senator(s) Agar, Anderson, Anselmi-Dalton, Baldwin, Bebout, Boner, Bouchard, Case, Christensen, Coe, Dockstader, Driskill, Ellis, Emerich, Hastert, Hicks, Kinskey, Landen, Meier, Moniz, Nethercott, Pappas, Perkins, Peterson, Rothfuss, Von Flatern, Wasserburger
**Nays:** Senator(s) Barnard, Burns, Scott
**Ayes** 27    **Nays** 3    **Excused** 0    **Absent** 0    **Conflicts** 0


3/7/2018     H Received for Concurrence
3/7/2018     H Concur:Passed 60-0-0-0-0

**ROLL CALL**

**Ayes:** Representative(s) Allen, Barlow, Biteman, Blackburn, Blake, Bovee, Brown, Burkhart, Byrd, Clausen, Clem, Connolly, Court, Crank, Dayton, Edwards, Eklund, Eyre, Flitner, Freeman, Furphy, Gierau, Gray, Greear, Haley, Hallinan, Halverson, Harshman, Henderson, Hunt, Jennings, Kinner, Kirkbride, Larsen, Laursen, Lindholm, Lone, Loucks, MacGuire, Madden, Miller, Nicholas, Northrup, Obermueller, Olsen, Paxton, Pelkey, Piiparinen, Pownall, Salazar, Schwartz, Simpson, Sommers, Steinmetz, Stith, Sweeney, Walters, Wilson, Winters, Zwonitzer
**Ayes** 60    **Nays** 0    **Excused** 0    **Absent** 0    **Conflicts** 0


3/7/2018     Assigned Number HEA No. 0027
3/8/2018     H Speaker Signed HEA No. 0027
3/8/2018     S President Signed HEA No. 0027
3/10/2018    Governor Signed HEA No. 0027
3/10/2018    Assigned Chapter Number 44


Chapter No. 44  Session Laws of Wyoming 2018