

SENATE FILE NO. SF0127

Wyoming Stable Token Act.

Sponsored by: Select Committee on Blockchain, Financial  
Technology and Digital Innovation Technology

A BILL

for

1 AN ACT relating to trade and commerce; creating the Wyoming  
2 Stable Token Act; creating the Wyoming stable token  
3 commission; authorizing the Wyoming stable token commission  
4 to issue Wyoming stable tokens as specified; providing for  
5 employees; specifying limitations; providing immunity;  
6 providing definitions; requiring reports; and providing for  
7 an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.** W.S. 40-31-101 through 40-31-109 are  
12 created to read:

13

14

CHAPTER 31

15

WYOMING STABLE TOKEN ACT

1

2           **40-31-101. Short title.**

3

4       This act shall be known and may be cited as the "Wyoming  
5       Stable Token Act."

6

7           **40-31-102. Definitions.**

8

9           (a) As used in this act:

10

11                   (i) "Commission" means the Wyoming stable token  
12       commission created by W.S. 40-31-103;

13

14                   (ii) "Board" means the board of the Wyoming  
15       stable token commission;

16

17                   (iii) "Director" means the director of the  
18       Wyoming stable token commission;

19

20                   (iv) "Financial institution" means any entity  
21       approved by the commission to act as a manager or otherwise  
22       to manage, operate and maintain Wyoming stable tokens;

23

1 (v) "Notional value" means face value;

2

3 (vi) "Token holder" means a person who lawfully  
4 owns any portion of a Wyoming stable token;

5

6 (vii) "Treasurer" means the state treasurer;

7

8 (viii) "Wyoming stable token" means the virtual  
9 currency issued by the commission pursuant to this act;

10

11 (ix) "Virtual currency" means as defined in W.S.  
12 34-29-101(a)(iv);

13

14 (x) "This act" means W.S. 40-31-101 through  
15 40-31-109.

16

17 **40-31-103. Wyoming stable token commission.**

18

19 (a) There is created the Wyoming stable token  
20 commission, which is a body politic and corporate operating  
21 as an instrumentality of the state of Wyoming, with  
22 authority to adopt an official seal and to sue and be sued.

23

1           (b) The commission shall be governed by a board  
2 composed of:

3

4           (i) The governor or the governor's designee;

5

6           (ii) The auditor or the auditor's designee;

7

8           (iii) The treasurer or the treasurer's designee;

9

10           (iv) Not more than four (4) subject matter  
11 experts in virtual currency and financial technology  
12 appointed by a majority vote of the members of the board  
13 designated in paragraphs (i) through (iii) of this  
14 subsection, and serving at the discretion of those members.  
15 Only subject matter experts who are free from conflict of  
16 interest in performing the duties of the board shall be  
17 appointed to, or serve on, the board.

18

19           (c) Members of the board appointed pursuant to  
20 paragraph (b)(iv) of this section shall receive the same  
21 per diem, expenses and travel allowance as members of the  
22 legislature under W.S. 28-5-101 while in attendance at

1 meetings of the board and while performing their duties as  
2 members of the board.

3

4 (d) The commission is subject to the requirements of:

5

6 (i) W.S. 16-3-101 through 16-3-105;

7

8 (ii) W.S. 16-4-201 through 16-4-205;

9

10 (iii) W.S. 16-4-401 through 16-4-408.

11

12 **40-31-104. Wyoming stable token value; limitations.**

13

14 A Wyoming stable token is a virtual currency representative  
15 of and redeemable for one (1) United States dollar held in  
16 trust by the state of Wyoming as provided by W.S.  
17 40-31-106. Stable tokens shall only be issued in exchange  
18 for United States dollars.

19

20 **40-31-105. Powers of the commission.**

21

22 (a) This act shall be administered by the commission  
23 in accordance with this act.

1

2 (b) The commission shall adopt rules and regulations  
3 as necessary to administer this act and to ensure  
4 compliance with all applicable state and federal law.

5

6 (c) The commission may:

7

8 (i) Issue Wyoming stable tokens as provided in  
9 this act, and provide for matters related to the issuance  
10 of Wyoming stable tokens, including the overall number of  
11 Wyoming stable tokens to be issued, the means used to  
12 issue, maintain and manage the Wyoming stable tokens and  
13 the manner of and requirements for redemption;

14

15 (ii) Retain professional services, if necessary,  
16 including accountants, auditors, consultants and other  
17 experts;

18

19 (iii) Make and enter into any contracts,  
20 agreements or arrangements and retain, employ and contract  
21 for the services of financial institutions and research,  
22 technical and other services as necessary to implement this  
23 act;

1

2           (iv) Select the financial institutions to manage  
3 the Wyoming stable tokens;

4

5           (v) Seek rulings and other guidance from the  
6 United States department of the treasury, the United States  
7 internal revenue service, the United States securities and  
8 exchange commission and any other relevant federal agency  
9 relating to this act;

10

11           (vi) Utilize the services of the state  
12 treasurer's office in investing and managing the Wyoming  
13 stable token trust account;

14

15           (vii) Employ a director and employees as it  
16 deems necessary for the performance of its duties. The  
17 commission shall prescribe the powers and duties and fix  
18 the compensation of the director and employees.

19

20           (d) The commission shall:

21

22           (i) Notwithstanding W.S. 9-4-716, maintain,  
23 invest and reinvest the funds received for issuing Wyoming

1 stable tokens and any earnings from those investments in  
2 accordance with investment policies established by rule and  
3 regulation of the commission in consultation with the  
4 treasurer and according to this act;

5

6 (ii) Oversee the review and audit of the  
7 operations and transactions implemented pursuant to this  
8 act to include the commissioning of independent audits as  
9 necessary. Costs incurred to perform independent audits and  
10 reviews of the implementation of this act shall be deemed  
11 operational costs.

12

13 (e) Before initially issuing any Wyoming stable  
14 tokens, the director shall provide a comprehensive report  
15 to the select committee on blockchain, financial technology  
16 and digital innovation technology and the joint minerals,  
17 business and economic development interim committee on all  
18 actions taken under this act.

19

20 **40-31-106. Wyoming stable token accounts.**

21

22 (a) The Wyoming stable token trust account is  
23 created. The commission shall deposit all funds received



1 for the issuance of Wyoming stable tokens into the account.  
2 Funds within the account received from the sale of Wyoming  
3 stable tokens shall be held in trust to support the  
4 redemption of Wyoming stable tokens, and shall not be  
5 expended for any other purpose but shall be expended to  
6 redeem Wyoming stable tokens. The commission shall invest  
7 funds within the account exclusively in United States  
8 treasury bills. By creation of this trust, the state does  
9 not create any fiduciary duty to token holders. Investment  
10 earnings generated by the funds in the account may be  
11 deposited in the Wyoming stable token administration  
12 account as provided in subsection (b) of this section.

13

14 (b) Not less than one hundred percent (100%) of the  
15 notional value of all outstanding issued Wyoming stable  
16 tokens shall be maintained in the Wyoming stable token  
17 trust account. All earnings paid on funds and investments  
18 in the account shall be deposited in the account.  
19 Investment earnings on funds in the account in excess of  
20 one hundred two percent (102%) of the notional value of all  
21 outstanding issued Wyoming stable tokens shall be  
22 transferred to the Wyoming stable token administration  
23 account.

1

2 (c) The Wyoming stable token administration account  
3 is created. Funds received into the account from any source  
4 shall be retained, expended or transferred and are  
5 continuously appropriated according to the following  
6 priority:

7

8 (i) To pay for the operational costs of this  
9 act;

10

11 (ii) Retention of savings in an amount  
12 consistent with rules set by the commission to provide for  
13 future expenditures under paragraph (i) of this subsection;

14

15 (iii) Any remainder shall be distributed first  
16 to the general fund until the initial five hundred thousand  
17 dollars (\$500,000.00) transferred upon this act becoming  
18 effective is repaid in full, then equally, on a quarterly  
19 basis, into the common school permanent fund reserve  
20 account created by W.S. 9-4-719(f), the school foundation  
21 program account created by W.S. 21-13-306(a) and the  
22 permanent Wyoming mineral trust fund reserve account  
23 created by W.S. 9-4-719(b).

1

2           **40-31-107. Redemption.**

3

4 One (1) Wyoming stable token shall be redeemable for one  
5 (1) United States dollar upon demand as set forth by rule  
6 of the commission. The value of the Wyoming stable token  
7 upon redemption shall be one (1) United States dollar for  
8 each one (1) Wyoming stable token, unless the interest rate  
9 of United States treasury bills at the time of redemption  
10 is negative or the total assets available in the Wyoming  
11 stable token trust account divided by the number of  
12 outstanding Wyoming stable tokens is less than one (1)  
13 dollar, in which case the value of the Wyoming stable token  
14 upon redemption shall be the liquidated value of the United  
15 States treasury bill redeemed to pay the demand for the  
16 Wyoming stable token as determined by rule of the  
17 commission. In no case shall the redemption result in the  
18 state paying a higher amount than the total assets in the  
19 Wyoming stable token trust account divided by the number of  
20 outstanding Wyoming stable tokens after all expenses have  
21 been paid as determined by the commission and auditor as  
22 provided by rules and regulations of the commission.

23

1           **40-31-108. Notice of limitations.**

2

3 Under rules adopted by the commission, every contract,  
4 application or other similar document that may be used in  
5 connection with the purchase of Wyoming stable tokens shall  
6 clearly state that the Wyoming stable token is not insured  
7 by this state and the principal deposited is not guaranteed  
8 by the state beyond the notional value of the Wyoming  
9 stable token trust account.

10

11           **40-31-109. Limitations on liability.**

12

13           (a) The state shall not be liable to any person for  
14 any amount beyond the notional value of the fund maintained  
15 in the Wyoming stable token trust account. Any Wyoming  
16 stable tokens issued under this act are payable and  
17 collectable solely out of the Wyoming stable token trust  
18 account. Token holders shall not look to any general or  
19 other state fund for redemption of any Wyoming stable  
20 tokens. The Wyoming stable tokens shall not constitute any  
21 indebtedness or a debt within the meaning of any  
22 constitutional or statutory provision or limitation. The  
23 tokens shall not be considered or held to be general

1 obligations of the state but shall constitute special  
2 obligations of the state and the commission shall not  
3 pledge the state's full faith and credit for redemption of  
4 any Wyoming stable token.

5

6 (b) The state, the board and employees of the Wyoming  
7 stable token commission shall be entitled to immunity from  
8 liability, including defense, in connection with any  
9 contract or transaction involving or related to Wyoming  
10 stable tokens under this act. The state shall be entitled  
11 to reasonable attorney fees and costs from any party who  
12 brings an unsuccessful action on the notional value of a  
13 token.

14

15 **Section 2.**

16

17 (a) Except as provided in subsection (b) of this  
18 section, the commission shall be prepared to issue at least  
19 one (1) Wyoming stable token not later than December 31,  
20 2023.

21

22 (b) The attorney general shall monitor the startup  
23 phase of the issuance of Wyoming stable tokens to ensure it

1 is permissible under federal and state law. If, after  
2 assessing available legal options, the attorney general  
3 determines that issuing a Wyoming stable token is not  
4 permissible under either federal or state law, the  
5 commission shall not issue a Wyoming stable token and the  
6 director shall provide a report not later than November 1,  
7 2023 to the select committee on blockchain, financial  
8 technology and digital innovation technology stating the  
9 reasons for not issuing a Wyoming stable token and  
10 providing recommendations that would allow for issuance in  
11 the future.

12

13 **Section 3.** The commission shall promulgate all rules  
14 necessary to implement this act.

15

16 **Section 4.** There is transferred five hundred thousand  
17 dollars (\$500,000.00) from the general fund to the Wyoming  
18 stable token administration account for purposes of this  
19 act. These funds shall not be transferred or expended for  
20 any other purpose. These funds shall be repaid pursuant to  
21 W.S. 40-31-105(a), as created by section 1 of this act.

22

1           **Section 5.** This act is effective immediately upon  
2 completion of all acts necessary for a bill to become law  
3 as provided by Article 4, Section 8 of the Wyoming  
4 Constitution.

5

6

(END)