

ENROLLED ACT NO. 85, SENATE

SIXTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2023 GENERAL SESSION

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

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

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

CHAPTER 31
WYOMING STABLE TOKEN ACT

40-31-101. Short title.

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

40-31-102. Definitions.

(a) As used in this act:

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

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

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

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

(v) "Notional value" means face value;

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

(vii) "Treasurer" means the state treasurer;

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

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

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

40-31-103. Wyoming stable token commission.

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

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

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

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

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

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(iv) Not more than four (4) subject matter experts in virtual currency and financial technology appointed by a majority vote of the members of the board designated in paragraphs (i) through (iii) of this subsection, and serving at the discretion of those members. Only subject matter experts who are free from conflict of interest in performing the duties of the board shall be appointed to, or serve on, the board. Each subject matter expert shall be required to furnish fingerprints for submission to the federal bureau of investigation or any governmental agency or entity authorized to receive fingerprints for a state, national and international criminal history background check.

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

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

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

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

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

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

A Wyoming stable token is a virtual currency representative of and redeemable for one (1) United States dollar held in trust by the state of Wyoming as provided by W.S.

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40-31-106. Stable tokens shall only be issued in exchange for United States dollars.

40-31-105. Powers of the commission.

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

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

(c) The commission may:

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

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

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

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

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

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

(vii) Employ a director and employees as it deems necessary for the performance of its duties. The commission shall prescribe the powers and duties and fix the compensation of the director and employees. The director shall be required to furnish fingerprints for submission to the federal bureau of investigation or any governmental agency or entity authorized to receive fingerprints for a state, national and international criminal history background check.

(d) The commission shall:

(i) Notwithstanding W.S. 9-4-716, maintain, invest and reinvest the funds received for issuing Wyoming stable tokens and any earnings from those investments in accordance with investment policies established by rule and regulation of the commission in consultation with the treasurer and according to this act;

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

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

40-31-106. Wyoming stable token accounts.

(a) The Wyoming stable token trust account is created. The commission shall deposit all funds received for the issuance of Wyoming stable tokens into the account. Funds within the account received from the sale of Wyoming stable tokens shall be held in trust to support the redemption of Wyoming stable tokens, and shall not be expended for any other purpose but shall be expended to redeem Wyoming stable tokens. The commission shall invest funds within the account exclusively in United States treasury bills. By creation of this trust, the state does not create any fiduciary duty to token holders. Investment earnings generated by the funds in the account may be deposited in the Wyoming stable token administration account as provided in subsection (b) of this section.

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

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

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

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

(iii) Any remainder shall be distributed on a quarterly basis, into the school foundation program account created by W.S. 21-13-306(a).

40-31-107. Redemption.

One (1) Wyoming stable token shall be redeemable for one (1) United States dollar upon demand as set forth by rule of the commission. The value of the Wyoming stable token upon redemption shall be one (1) United States dollar for each one (1) Wyoming stable token, unless the interest rate of United States treasury bills at the time of redemption is negative or the total assets available in the Wyoming stable token trust account divided by the number of outstanding Wyoming stable tokens is less than one (1) dollar, in which case the value of the Wyoming stable token upon redemption shall be the liquidated value of the United States treasury bill redeemed to pay the demand for the Wyoming stable token as determined by rule of the commission. In no case shall the redemption result in the state paying a higher amount than the total assets in the

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Wyoming stable token trust account divided by the number of outstanding Wyoming stable tokens after all expenses have been paid as determined by the commission and auditor as provided by rules and regulations of the commission.

40-31-108. Notice of limitations.

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

40-31-109. Limitations on liability.

(a) The state shall not be liable to any person for any amount beyond the notional value of the fund maintained in the Wyoming stable token trust account. Any Wyoming stable tokens issued under this act are payable and collectable solely out of the Wyoming stable token trust account. Token holders shall not look to any general or other state fund for redemption of any Wyoming stable tokens. The Wyoming stable tokens shall not constitute any indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation. The tokens shall not be considered or held to be general obligations of the state but shall constitute special obligations of the state and the commission shall not pledge the state's full faith and credit for redemption of any Wyoming stable token.

(b) The state, the board and employees of the Wyoming stable token commission shall be entitled to immunity from

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liability, including defense, in connection with any contract or transaction involving or related to Wyoming stable tokens under this act. The state shall be entitled to reasonable attorney fees and costs from any party who brings an unsuccessful action on the notional value of a token.

Section 2.

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

(b) The attorney general shall monitor the startup phase of the issuance of Wyoming stable tokens to ensure it is permissible under federal and state law. If, after assessing available legal options, the attorney general determines that issuing a Wyoming stable token is not permissible under either federal or state law, the commission shall not issue a Wyoming stable token and the director shall provide a report not later than November 1, 2023 to the select committee on blockchain, financial technology and digital innovation technology stating the reasons for not issuing a Wyoming stable token and providing recommendations that would allow for issuance in the future.

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

Section 4. There is transferred five hundred thousand dollars (\$500,000.00) from the general fund to the Wyoming stable token administration account for purposes of this act. These funds shall not be transferred or expended for

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FILE NO. SF0127

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any other purpose. These funds shall be repaid pursuant to W.S. 40-31-105(a), as created by section 1 of this act.

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk