

# Emerging Blockchain Policies in State Government

FTA Annual Meeting  
Indianapolis, IN  
June 24, 2019

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# Blockchain, Defined.

Definition of blockchain in English:

**blockchain** 



## NOUN

A system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.


*'we can actually have a look at the blockchain and see evidence of what's going on'*

[+ More example sentences](#)

## Origin

Early 21st century from **block** + **chain**.

## Pronunciation

**blockchain** /'blɒkʃeɪn/ 



"Blockchain." *Oxford Dictionary* online. 2019.  
<https://en.oxforddictionaries.com> (21 June 2019).

# Blockchain, Defined better.

## blockchain noun

block·chain | \ 'bläk-,chān  \

### Definition of *blockchain*

: a digital database containing information (such as records of financial transactions) that can be simultaneously used and shared within a large decentralized, publicly accessible network

*also* : the technology used to create such a database

// The technology at the heart of bitcoin and other virtual currencies, *blockchain* is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way.

— Marco Iansiti and Karim R. Lakhani

### First Known Use of *blockchain*

2011, in the meaning defined [above](#)

“Blockchain.” *Merriam-Webster* online. 2019.  
<https://www.merriam-webster.com> (21 June 2019).



# Promised Benefits.

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- Building of trust in generally untrusting environments
- Improved efficiency
- Transparency
- Reduction in bureaucracy





# A Few Policy Considerations.

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- Voluntary compliance demands the public trust tax administration, including information and systems.
- Inherent lack of knowledge and lack of trust with new technology.
- Appearance of friction between handling of FTI and use of blockchain which by definition is widely distributed.
- Does the cost justify the benefit of a particular application?
- Shiny new object, or truly useful technology?



# Change Management.

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- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Late Adopters
- Diehards



# Developments in Indiana.

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No current deployment of blockchain

2019 Regular Legislative Session

## Senate Resolution No. 9

- Urging the Legislative Council to assign the subject of virtual currency regulation to a summer/interim study committee.

## House Bill 1683

- In introduced form, sought to authorize payments for taxes and other liabilities imposed under tax administration article of Indiana Code to be made in cryptocurrency.

Other uses under consideration?



# Approaches to Getting Started.

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## Do Nothing

- No official mandate or authority
- Informal, self-directed analysis

## Study

- Official studies, task forces & workgroups
- RFPs

## Small Moves

- Definitions
- Use of distributed ledgers for books and records
- Payment processing

## Big Moves

- Use in essential government functions





# Payments with Cryptocurrency.

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- Impression the authority is accepting cryptocurrency
- Actually utilizing a third-party intermediary
- Third-party converts cryptocurrency to cash/currency
- Authority receives cash/currency, not cryptocurrency



# Appearance in Certain Marketplace Laws.

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- Define a marketplace facilitator as someone who contracts to sell a seller's products when it operates a marketplace and ... (C) provides a virtual currency that buyers are allowed or required to use to purchase products from the seller...



# Contact Information:

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