

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 947

SENATE BILL NUMBER 55/GA

TITLE AN ACT relating to blockchain technology.

SPONSOR Senator Brandon Smith

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Commonwealth Office of Technology

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Computer Services Fund

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		\$400,000	\$400,000	\$400,000
EXPENDITURES		\$400,000	\$400,000	\$400,000
NET EFFECT		0	0	0

() indicates a decrease/negative

PURPOSE OF MEASURE: The measure creates a nine-member Blockchain Technology Working Group administratively attached to the Commonwealth Office of Technology (COT). The working group is required to examine the applicability of blockchain technology and report annually to the Governor and Legislative Research Commission.

FISCAL EXPLANATION: COT estimates the cost to staff and support the workgroup to be approximately \$400,000 in each fiscal year. Most of the funds would be used to access expertise in the use of blockchain technology, which is not currently staffed within COT and of limited availability in the marketplace.

COT is a “service bureau” organization, meaning their operating funds are generated by services provided to the agencies at specified service rates. These expenditures are not currently included in the COT budget or cost allocation formulas, which means that while the fiscal impact is to the COT restricted fund, the expenditures would be recouped through charges to other state agencies.

DATA SOURCE(S): Finance and Administration Cabinet and LRC Staff

PREPARER: Liz Columbia **NOTE NUMBER:** 219 **REVIEW:** JAB **DATE:** 3/11/2020