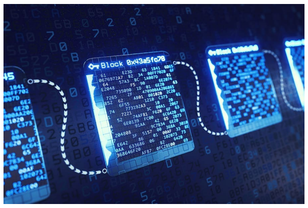

HR 171: Kentucky’s First Step Towards a Sustainable and Innovative Blockchain Market

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For anyone who has been paying attention to the recent cryptocurrency craze globally and the growing industry buzz around its underlying technology, it is apparent that blockchain technologies may become the future: the future of online transactions, securing data, supply chains, internal operations and many more.

On March 14, 2019, the Kentucky House of Representatives agreed with this notion and declared the future for blockchain technologies in the state of Kentucky by adopting House Resolution 171 (“HR 171”). This resolution calls for a comprehensive investigation into blockchain technology and for policy proposals based upon the study. Recognizing the “great potential in the area of economic development” as well as the need for “wide-scale collaboration and coordination on all levels of government,” the resolution “urges the Kentucky Cabinet for Economic Development to work with state and federal officials” in order to study blockchain to evaluate the best opportunities to support further innovation and economic growth while being mindful of consumer protection.

In particular, HR 171 sets forth a comprehensive examination around blockchain technologies with an emphasis upon “the creation of a statewide ecosystem that encourages innovative startups and entrepreneurs in the blockchain sector or. . . in their operations.” The resolution also hopes to determine ways in which “the state government can utilize cryptocurrencies to make and receive payments” and what potential regulations may be required around blockchain technologies. As evidenced by growing support in various industries and the formation of numerous blockchain-based organizations, HR 171 will most likely be the inception of blockchain-based innovations and economy to flourish in Kentucky.

For those companies leveraging or even contemplating the use of blockchain technologies in their business operations, this is a significant sign of progress and an opportunity for growth in Kentucky. If you would like to learn how your business may benefit and take advantage of foreseeable blockchain opportunities in Kentucky and elsewhere, please contact Chanhee Han, Tyler Wicker, Courtney Rogers Perrin or any attorney in Frost Brown Todd's Blockchain or Insurance Regulation teams.

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