

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

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

22

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

1

2

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

3

4

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

5

6

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

7

8

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

9

10 A Wyoming stable token is a virtual currency representative  
11 of and redeemable for one (1) United States dollar held in  
12 trust by the state of Wyoming as provided by W.S.  
13 40-31-106. Stable tokens shall only be issued in exchange  
14 for United States dollars.

15

16

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

17

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19

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

20

21

22

23

(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.

1

2 (c) The commission may:

3

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

10

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

14

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

20

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

23

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

6

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

10

11           (vii) Employ a director and employees as it  
12 deems necessary for the performance of its duties. The  
13 commission shall prescribe the powers and duties and fix  
14 the compensation of the director and employees.

15

16           (d) The commission shall:

17

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

1

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

8

9 (e) Before initially issuing any Wyoming stable  
10 tokens, the director shall appear before the select  
11 committee on blockchain, financial technology and digital  
12 innovation technology to present a comprehensive report on  
13 all actions taken under this act.

14

15 **40-31-106. Wyoming stable token accounts.**

16

17 (a) The Wyoming stable token trust account is  
18 created. The commission shall deposit all funds received  
19 for the issuance of Wyoming stable tokens into the account.  
20 Funds within the account received from the sale of Wyoming  
21 stable tokens shall be held in trust to support the  
22 redemption of Wyoming stable tokens, and shall not be  
23 expended for any other purpose but shall be expended to

1 redeem Wyoming stable tokens. The commission shall invest  
2 funds within the account exclusively in United States  
3 treasury bills. By creation of this trust, the state does  
4 not create any fiduciary duty to token holders. Investment  
5 earnings generated by the funds in the account may be  
6 deposited in the Wyoming stable token administration  
7 account as provided in subsection (b) of this section.

8

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

19

20 (c) The Wyoming stable token administration account  
21 is created. Funds received into the account from any source  
22 shall be retained, expended or transferred and are

1 continuously appropriated according to the following  
2 priority:

3

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

6

7 (ii) Retention of savings in an amount  
8 consistent with rules set by the commission to provide for  
9 future expenditures under paragraphs (i) and (ii) of this  
10 subsection;

11

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

21

22 **40-31-107. Redemption.**

23

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

20

21 **40-31-108. Notice of limitations.**

22

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

8

9 **40-31-109. Limitations on liability.**

10

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

1 the state's full faith and credit for redemption of any  
2 Wyoming stable token.

3

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

12

13 **Section 2.**

14

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

18

19 (b) The attorney general shall monitor the startup  
20 phase of the issuance of Wyoming stable tokens to ensure it  
21 is permissible under federal and state law. If, after  
22 assessing available legal options, the attorney general  
23 determines that issuing a Wyoming stable token is not

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

9

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

12

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

19

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)