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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 220
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Carfagna

Andrew Little, Attorney

SUMMARY

- Allows governmental entities to employ distributed ledger technology, including blockchain technology.

DETAILED ANALYSIS

Governmental use of distributed ledger technology

The bill provides that governmental entities may use distributed ledger technologies, including blockchain technology, in the exercise of their authority.¹ “Distributed ledger technology” is not defined in the bill, but, generally speaking, a distributed ledger is a completely decentralized database that is shared and maintained by each individual computer on a network. Put another way, distributed ledger technology is a very specific kind of recordkeeping technology in which each user has an up to date copy of a database, and there is not a centrally kept “official” version. A distributed ledger is useful for recording certain types of information such as transactions or changes in ownership without the need for a central authority to verify the information.²

Under the bill, a “**governmental entity**” is the state, a state agency, or political subdivision, both of which are also defined terms. A “**state agency**” is any organized body, office, agency, institution, or other entity established by Ohio law to exercise any state government function. A “**political subdivision**” is a county, township, municipal corporation, or

¹ R.C. 9.16.

² Yosef Schiff, *Legislative Service Commission Members Only Brief: Blockchain Technology and Virtual Currency* (March 12, 2019), <https://www.lsc.ohio.gov/documents/reference/current/membersonlybriefs/133Blockchain%20Technology.pdf> (accessed May 20, 2019).

any other body corporate and politic that is responsible for government activities in a geographic area smaller than the state.³

For a more in-depth description of distributed ledger technology and blockchain technology, see the LSC *Members Only* Brief, [Blockchain Technology and Virtual Currency](#). In addition to the preceding hyperlink, it can be found at www.lsc.ohio.gov, under “Popular Publications.”

HISTORY

Action	Date
Introduced	04-24-19

H0220-I-133/ts

³ R.C. 9.23, not in the bill.