

.....
(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To require the Administrator of the Small Business Administrator to conduct a study on the state of blockchain technology and its use in consumer protection, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. SALAZAR introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Administrator of the Small Business Administrator to conduct a study on the state of blockchain technology and its use in consumer protection, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Blockchain Solutions
5 for Small Businesses Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Blockchain or distributed ledger technology
2 allows computers connected by a peer-to-peer net-
3 work to reach agreement over a shared ledger of
4 data. Changes to the shared ledger can only be ef-
5 fected if all of the computers in the network verify
6 the validity of the change and agree to its inclusion
7 in the ledger.

8 (2) The Connected Commerce Council found
9 that 72 percent of small businesses increased their
10 use of digital tools during the COVID–19 crisis, and
11 48 percent utilized a new digital tool.

12 (3) As small businesses increasingly move their
13 operations online, it is critical that any and all infor-
14 mation relevant to the business is protected and se-
15 cure. Blockchain technology is an optimal tool that
16 small businesses can leverage to ensure that the op-
17 eration is adequately protected from cyberattack.

18 (4) Blockchains are decentralized and distrib-
19 uted across peer-to-peer networks that are contin-
20 ually updated and kept in sync. Because these net-
21 works are not contained in a central location, they
22 do not have a single point of failure and cannot be
23 changed from a single computer operating within the
24 network. These features of blockchain technology

1 make stealing data or engaging in fraud significantly
2 more difficult.

3 (5) Blockchain technology has the ability to bol-
4 ster trust and efficiency. All participants in the
5 blockchain networks have access to the same infor-
6 mation, which is not only immutable but also up-
7 dated in real time, which means that information
8 sharing and verification is streamlined and accessible
9 to all relevant parties.

10 **SEC. 3. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS**
11 **USES AT THE SMALL BUSINESS ADMINISTRA-**
12 **TION.**

13 (a) STUDY REQUIRED.—The Administrator of the
14 Small Business Administration, in consultation with any
15 other Federal agency the Administrator determines appro-
16 priate, shall conduct a study on—

17 (1) the current and potential uses of blockchain
18 technology to carry out the requirements of sub-
19 sections (a) and (b)(2) of section 7 of the Small
20 Business Act (15 U.S.C. 636); and

21 (2) the potential uses of blockchain technology
22 to—

23 (A) minimize fraud in the lending pro-
24 grams established under such subsections; and

1 (B) improve the provision of services under
2 such lending programs.

3 (b) ELEMENTS.—The study required under sub-
4 section (a) shall include the following:

5 (1) An assessment of trends in the use of
6 blockchain technology in the financial sector.

7 (2) A description of best practices to facilitate
8 partnerships between private entities and the Ad-
9 ministration to use blockchain technology to carry
10 out the requirements of subsections (a) and (b)(2) of
11 section 7 of the Small Business Act (15 U.S.C.
12 636), minimize fraud in the lending programs estab-
13 lished under such subsections, and improve the pro-
14 vision of services under such lending programs.

15 (3) With respect to carrying out the require-
16 ments of subsections (a) and (b)(2) of section 7 of
17 the Small Business Act (15 U.S.C. 636), a descrip-
18 tion of—

19 (A) the potential benefits and risks of
20 using blockchain technology;

21 (B) how blockchain technology can be used
22 to maximize efficiency of the Administration;
23 and

24 (C) how blockchain technology can be used
25 to reduce fraud and increase the security of the

1 lending programs established under such sub-
2 sections.

3 (4) Any other relevant information or rec-
4 ommendations related to the use of blockchain tech-
5 nology by the Administrator.

6 (c) REPORT.—Not later than one year after the date
7 of the enactment of this Act, the Administrator of the
8 Small Business Administration shall submit to the Com-
9 mittee on Small Business of the House of Representatives
10 and the Committee on Small Business and Entrepreneur-
11 ship of the Senate a report on the results of the study.

12 (d) BLOCKCHAIN DEFINED.—In this Act, the term
13 “blockchain” means a digital ledger or database which is
14 chronological, consensus-based, decentralized, and mathe-
15 matically verified in nature.