

**SENATE FILE \_\_\_\_\_**

**A BILL FOR** An Act establishing the Iowa blockchain budget transparency pilot program in the department of management, making an appropriation, requiring reports, and providing for repeal and an effective date.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:**

**Section 1.** Iowa blockchain budget transparency pilot program established. The Iowa blockchain budget transparency pilot program is established in the department of management to assess the feasibility, cost-effectiveness, transparency benefits, auditability, and operational impact of using blockchain or distributed ledger technology to record and publicly publish state appropriations, budget allocations, and expenditures in near real-time or as close as practicable. The department shall administer the program in consultation with the auditor of state and the chief information officer of the state.

The department of management shall do all of the following:

1. Select up to three eligible state agencies or departments to participate in the pilot program. Selection criteria shall include the size and complexity of the agency's budget, technical readiness (including compatibility with the state's enterprise resource planning system), willingness to participate, and level of public interest in the agency's expenditures.
2. Through a competitive procurement process or other appropriate method authorized by law, procure or develop a secure blockchain or distributed ledger platform capable of recording enacted appropriations, allotment releases, and actual expenditures. The platform shall: a. Ensure data immutability for audit and verification purposes while complying with chapter 554E. b. Provide public access to non-confidential data, with the goal of integration or linkage to the Iowa checkbook transparency website maintained by the department. c. Comply with all applicable state and federal privacy, security, and public records laws, including chapter 22, and allow for appropriate redaction or exclusion of confidential or personally identifiable information. d. Support monthly public updates of budget allocation and expenditure data where feasible.
3. Develop and provide training and guidelines to participating agencies regarding data security, recording procedures, compliance with public records laws, and integration with existing financial systems.
4. Evaluate the program's effectiveness, including any cost savings, fraud reduction potential, and improvements in public transparency and audit efficiency.

**Section 2.** Appropriation. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1 following the effective date of this Act, and ending June 30 of the succeeding year, the sum of one million dollars (\$1,000,000), or so much thereof as is necessary, to be used for the purposes of establishing and administering the Iowa blockchain budget transparency pilot program, including procurement or development of the blockchain platform, training, integration with existing systems, and any necessary technical support. Moneys appropriated under this section that remain unencumbered or unobligated at the close of the fiscal year shall

not revert but shall remain available for expenditure for the purposes of the pilot program until the close of the succeeding fiscal year.

**Section 3.** Reports. The department of management shall submit a preliminary report by January 15 two years after the fiscal year of the appropriation made in this Act, and a final report by January 15 four years after the fiscal year of the appropriation made in this Act, to the governor, the general assembly, and the auditor of state. Each report shall detail the program's implementation, costs, benefits, challenges encountered, data on public usage and transparency improvements, compatibility with existing systems, and recommendations regarding potential expansion, permanence, or termination of the program. The final report shall include a recommendation on whether the program should be continued, expanded, or discontinued.

**Section 4.** Repeal. This Act is repealed effective December 31 of the calendar year in which the final report is due.

**Section 5.** Effective date. This Act takes effect upon enactment.