

117TH CONGRESS  
2D SESSION

# H. R. 6597

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2022

Ms. SALAZAR (for herself, Mr. KHANNA, Mrs. KIM of California, Mr. SOTO, Mr. BUDD, Mrs. CAMMACK, Mr. DONALDS, Mr. WALTZ, Ms. TENNEY, Mr. EMMER, Mr. ROSE, Mr. DAVIDSON, Mr. NORMAN, Mr. AUSTIN SCOTT of Georgia, Mr. STEIL, Mr. TIMMONS, Mr. CAWTHORN, Mr. STEUBE, and Mrs. WAGNER) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To require the Administrator of the Small Business Administration 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”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

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

10 (2) The Connected Commerce Council found  
11 that 72 percent of small businesses increased their  
12 use of digital tools during the COVID–19 crisis, and  
13 48 percent utilized a new digital tool.

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

20 (4) Blockchains are decentralized and distrib-  
21 uted across peer-to-peer networks that are contin-  
22 ually updated and kept in sync. Because these net-  
23 works are not contained in a central location, they  
24 do not have a single point of failure and cannot be  
25 changed from a single computer operating within the  
26 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.

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