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Testimony of Kyle Martin
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In Support of HB 1268
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Chairman Lefor and members of the House Industry, Business and Labor Committee:

My name is Kyle Martin, executive director of the Technology Council of North Dakota (TechND). TechND was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's technology infrastructure and reposition the state as a national leader in technology, innovation, and workforce development. TechND's 60 plus member organizations provide an overarching view of the technology industry driving North Dakota's economy.

TechND supports legislation that assists North Dakota technology companies in being globally competitive and accelerates the adoption of emerging technologies, including blockchain-driven products and services. HB 1268 would support these positions by creating a financial technology sandbox program. The passage of this legislation would grant a waiver to North Dakota companies who develop innovative financial products or services for consumers if current statues or rules do not allow a business from offering such products or services to consumers.

As technology evolves at an exponential rate, it can often be difficult for lawmakers to enact rules or regulations that govern new and emerging technologies in a timely manner. Financial institutions today are looking to new technologies that utilize artificial intelligence and blockchain technologies that can identify or prevent fraud, balance ledgers or anticipate market trends before they materialize. However, if North Dakota technology companies are limited by statute from offering new technologies sought by financial institutions, they are put at a disadvantage. The financial technology sandbox program levels the playing field for our region's technology companies by allowing for the adoption and utilization of new and emerging technologies for use in the financial sector.

The passage of this legislation could expand North Dakota's technology sector, develop new jobs and allow businesses to remain competitive throughout our region. While the financial sector has been an early adopter of blockchain technologies, the technology is also being explored in other areas including tracking agriculture products and livestock as they move from farm to fork. If proven successful, the sandbox program proposed in this legislation could expand to other sectors.

This legislation sends a powerful message that our legislature recognizes and encourages the use of emerging technologies and supports North Dakota's 7,600+ technology workers. Therefore, TechND asks the House Industry, Business and Labor Committee recommend a do-pass on HB 1268.