

# EXECUTIVE SUMMARY

## H.7957 / S.2196: Cryptographic Key Protection Act

Session	2026 Legislative Session
Status	In Committee
Builds On	2025 Session H.5868 / S.0375
Key Feature	Protection of private cryptographic keys from compelled disclosure

### What This Bill Does

H.7957 / S.2196 establishes legal protections for individuals' private cryptographic keys by prohibiting compelled disclosure in legal proceedings related to digital assets or identities. The bill recognizes that private keys are fundamentally different from other forms of evidence — disclosing a private key grants complete, irrevocable access to an individual's digital assets, analogous to handing over the keys to a safe with no ability to change the lock.

The bill provides:

- Prohibition on compelling individuals to disclose private cryptographic keys
- Narrow exception: compelled disclosure only when public key is unavailable or insufficient
- Recognition of private keys as sensitive personal property deserving legal protection
- Alignment with existing legal frameworks for protecting sensitive information

### Fiscal Impact Assessment

Revenue Considerations	Economic Offset Potential
• Minimal: no new agencies or programs	• Attracts crypto holders and businesses to RI
• Judicial training: \$10K-\$25K one-time	• Reduces litigation costs for individuals
• Legal guidance publication: \$5K-\$10K	• Positions RI as digital rights leader
• No ongoing administrative costs	• Aligns with federal property rights principles

**Budget Note:** This bill has the lowest fiscal impact of the 2026 blockchain bills. No new agencies, programs, or ongoing appropriations are required. The primary cost is a one-time investment in judicial education and legal guidance, estimated at \$15,000 to \$35,000 total.

### Rhode Island as a Digital Rights Leader

This bill aligns with Rhode Island’s strong tradition of protecting individual property rights. Key advantages:

- **Property rights protection:** Aligns with RI’s strong tradition of protecting individual property rights
- **Innovation signal:** Demonstrates RI understands and respects the technology behind digital assets
- **Education opportunity:** Statewide awareness of private key safety and digital asset security
- **Peer state model:** Similar to Wyoming HB0086 (passed 2023)

## Key Provisions

Provision	Details
<b>General Rule</b>	Private cryptographic keys cannot be compelled to be disclosed in legal proceedings
<b>Exception</b>	Disclosure may be compelled only when public key is unavailable or insufficient
<b>Scope</b>	Applies to proceedings involving digital assets or digital identities
<b>Rights Protected</b>	Private keys for cryptocurrency wallets, digital identities, smart contracts
<b>Precedent</b>	Wyoming HB0086 (2023) — similar protections enacted and upheld
<b>Fiscal Impact</b>	Minimal: \$15,000 - \$35,000 one-time for judicial training and guidance

## Questions for Fiscal Review

- How does this interact with existing search warrant and subpoena procedures?
- Should the exception for unavailable public keys require a judicial finding of necessity?
- What training resources are needed for judges and attorneys on cryptographic key concepts?
- How does this align with federal Fifth Amendment protections against compelled self-incrimination?