

STATE OF RHODE ISLAND
GENERAL ASSEMBLY

FISCAL IMPACT ANALYSIS

H.7957 (House) / S.2196 (Senate)

Cryptographic Key Protection Act

An Act Relating to Courts and Civil Procedure — Digital Asset Protections

Prepared for:

Members of the Rhode Island General Assembly

2026 Session

EXECUTIVE SUMMARY

This fiscal impact analysis examines H.7957 / S.2196, which prohibits compelling individuals to disclose their private cryptographic keys in legal proceedings related to digital assets or identities. The bill builds on the 2025 session's H.5868/S.0375 and follows Wyoming's HB0086 (2023) model.

Fiscal Impact Summary

Metric	Estimate
One-Time Implementation Cost	\$15,000 - \$35,000
Annual Ongoing Cost	Negligible (absorbed by existing operations)
Direct Revenue Impact	None
Indirect Economic Impact	Positive — attracts crypto holders and businesses
Impact as % of General Revenue	Less than 0.001%
Administrative Burden	Minimal — no new agencies or programs required

Key Findings

1. This bill has effectively zero ongoing fiscal impact. It modifies court procedures without creating new agencies, programs, or entitlements.
2. One-time costs for judicial education and legal guidance publication are estimated at \$15,000 to \$35,000, well within normal judicial training budgets.
3. The bill may generate indirect economic benefits by signaling Rhode Island's commitment to digital property rights.
4. Wyoming's similar legislation (HB0086, 2023) has been cited by blockchain businesses as a factor in their decision to establish operations in the state.

1. LEGAL AND CONSTITUTIONAL CONTEXT

1.1 The Unique Nature of Private Keys

Private cryptographic keys present a novel legal challenge. Unlike passwords, which can be changed after disclosure, a private key that has been revealed cannot be revoked or replaced for existing assets. Disclosure of a private key is functionally equivalent to permanently surrendering all digital assets and identities controlled by that key.

1.2 Existing Legal Analogues

Legal Protection	Analogy to Private Keys
Fifth Amendment	Compelled disclosure could provide access to incriminating information
Attorney-client privilege	Keys protect confidential information that should remain private
Trade secret protections	Keys represent proprietary access to valuable digital property
Fourth Amendment	Key disclosure enables warrantless access to digital “effects”

2. DETAILED COST ANALYSIS

2.1 One-Time Implementation Costs

Cost Category	Low Estimate	High Estimate
Judicial Training (CLE programs)	\$5,000	\$15,000
Legal Guidance Publication	\$3,000	\$8,000
Law Enforcement Training Materials	\$2,000	\$5,000
Bar Association Notification	\$1,000	\$2,000
Public Education Materials	\$2,000	\$3,000
Technical Consulting	\$2,000	\$2,000
Total One-Time Cost	\$15,000	\$35,000

2.2 Cost Context

The Rhode Island Judiciary's annual budget exceeds \$100 million. The one-time implementation cost of \$15,000-\$35,000 represents less than 0.035% of the judicial budget — less than the cost of a single day of court operations.

3. COMPARATIVE STATE ANALYSIS

3.1 Wyoming HB0086 (2023)

Wyoming enacted similar private key protections in 2023 as part of its broader blockchain legislation suite. The bill passed with bipartisan support and has been cited by the Blockchain Association as a model for other states. Implementation costs were minimal, and the legislation has strengthened Wyoming's reputation as the most cryptocurrency-friendly state.

3.2 Federal Considerations

There is no federal legislation specifically addressing compelled disclosure of private cryptographic keys. Federal courts have issued conflicting rulings on whether compelling production of a password or key violates Fifth Amendment protections. By enacting state-level protections, Rhode Island would provide legal certainty for its residents and businesses regardless of evolving federal case law.

4. RECOMMENDATIONS

1. Allocate \$35,000 from the Judiciary's existing training budget for implementation.
2. Direct the Judicial Conference to develop CLE materials on digital asset law within 6 months of enactment.
3. Request the Attorney General's office to issue guidance on the bill's interaction with existing subpoena and warrant procedures.
4. Monitor case law developments in other states with similar protections to inform future amendments.

SOURCES AND REFERENCES

Rhode Island Judiciary — Annual Budget Report FY2026

Wyoming HB0086 (2023) — Cryptographic Key Protection Act

Blockchain Association — State Legislation Model Framework 2025

Electronic Frontier Foundation — Digital Privacy Rights Analysis

National Conference of State Legislatures — Digital Privacy Legislation Tracker 2026

End of Report