

HB1426 L.002

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on State, Veterans, & Military Affairs.

HB18-1426 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1. Legislative declaration.** The general assembly
4 declares that virtual currency is a new and emerging technology with
5 global implications. As a result, it is of great importance to the state of
6 Colorado for such technology to be fully examined and defined prior to
7 further regulation or exemption from regulation by the state.

8 **SECTION 2.** In Colorado Revised Statutes, 11-51-201, **amend**
9 the introductory portion and (17); and **add** (11.8) as follows:

10 **11-51-201. Definitions.** As used in this article *51*, unless the
11 context otherwise requires:

12 (11.8) "OPEN BLOCKCHAIN TOKEN" MEANS A DIGITAL UNIT THAT
13 IS:

14 (a) CREATED:

15 (I) IN RESPONSE TO THE VERIFICATION OR COLLECTION OF A
16 SPECIFIED NUMBER OF TRANSACTIONS RELATING TO A DIGITAL LEDGER OR
17 DATABASE;

18 (II) BY DEPLOYING COMPUTER CODE TO A BLOCKCHAIN NETWORK
19 OR DISTRIBUTED DIGITAL LEDGER THAT ALLOWS FOR THE CREATION OF
20 DIGITAL TOKENS OR OTHER UNITS; OR

21 (III) USING ANY COMBINATION OF THE METHODS SPECIFIED IN
22 SUBSECTIONS (11.8)(a)(I) AND (11.8)(a)(II) OF THIS SECTION;

23 (b) RECORDED IN A DIGITAL LEDGER OR DATABASE THAT IS
24 CONSENSUS-BASED, DECENTRALIZED, AND MATHEMATICALLY VERIFIED IN
25 NATURE, ESPECIALLY RELATING TO THE SUPPLY OF DIGITAL UNITS AND
26 THEIR DISTRIBUTION; AND

27 (c) CAPABLE OF BEING TRADED OR TRANSFERRED BETWEEN
28 PERSONS WITHOUT AN INTERMEDIARY OR CUSTODIAN OF VALUE.

29 (17) (a) "Security" means any note; stock; treasury stock; bond;
30 debenture; evidence of indebtedness; certificate of interest or
31 participation in any profit-sharing agreement; collateral-trust certificate;
32 preorganization certificate of subscription; transferable share; investment
33 contract; viatical settlement investment; voting-trust certificate; certificate
34 of deposit for a security; certificate of interest or participation in an oil,
35 gas, or mining title or lease or in payments out of production under such
36 a title or lease; or, in general, any interest or instrument commonly known
37 as a "security" or any certificate of interest or participation in, temporary
38 or interim certificate for, guarantee of, or warrant or right to subscribe to
39 or purchase any of the foregoing.

1 (b) "Security" does not include any insurance or endowment
2 policy or annuity contract under which an insurance company promises
3 to pay a sum of money either in a lump sum or periodically for life or
4 some other specified period.

5 (c) ~~For purposes of this article~~ AS USED IN SUBSECTION (17)(a) OF
6 THIS SECTION, an "investment contract":

7 (I) Need not involve more than one investor nor be limited to
8 those circumstances wherein there are multiple investors who are joint
9 participants in the same enterprise;

10 (II) INCLUDES AN INVESTMENT IN A COMMON ENTERPRISE WITH
11 THE EXPECTATION OF PROFITS TO BE DERIVED PRIMARILY FROM THE
12 EFFORTS OF A PERSON OTHER THAN THE INVESTOR. "COMMON
13 ENTERPRISE" MEANS AN ENTERPRISE IN WHICH THE FORTUNES OF THE
14 INVESTOR ARE INTERWOVEN WITH THOSE OF EITHER THE PERSON OFFERING
15 THE INVESTMENT, A THIRD PARTY, OR OTHER INVESTORS.

16 (III) DOES NOT INCLUDE AN OPEN BLOCKCHAIN TOKEN THAT IS
17 DEVELOPED OR SOLD FOR A CONSUMPTIVE PURPOSE WHERE THE BUYER AT
18 OR NEAR THE TIME OF SALE HAS NO EXPECTATION OF PROFIT.
19 "CONSUMPTIVE PURPOSE" MEANS THAT AN OPEN BLOCKCHAIN TOKEN IS
20 EXCHANGEABLE FOR, OR PROVIDED FOR THE RECEIPT OF, GOODS,
21 SERVICES, OR CONTENT, INCLUDING RIGHTS OF ACCESS TO GOODS,
22 SERVICES, OR CONTENT.

23 **SECTION 3. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the
28 state constitution against this act or an item, section, or part of this act
29 within such period, then the act, item, section, or part will not take effect
30 unless approved by the people at the general election to be held in
31 November 2018 and, in such case, will take effect on the date of the
32 official declaration of the vote thereon by the governor."

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