



Legislative
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HB 18-1220

REVISED FISCAL NOTE

(replaces fiscal note dated February 19, 2018)

Drafting Number: LLS 18-0864
Prime Sponsors: Rep. Melton
Sen. Tate

Date: April 16, 2018
Bill Status: House Finance
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Bill Topic: BITCOIN DEALERS LICENSED AS MONEY TRANSMITTERS

Summary of Fiscal Impact: **No fiscal impact.** This bill defines terms related to cryptocurrency activities to exclude these activities from state regulation.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the introduced bill as amended by the House Business Affairs and Labor Committee.

Summary of Legislation

Under current law, cryptocurrency activities are not subject to any state regulation. This bill defines terms related to cryptocurrency exchanges and excludes cryptocurrency activity from the definition of an investment contract, which is regulated by the Division of Banking in the Department of Regulatory Agencies (DORA).

Background

Cryptocurrency is digital currency used to make online financial transactions outside the regulated banking system. Transactions are recorded on a digital public ledger called a blockchain. To date, five states have enacted legislation related to cryptocurrency and blockchain technology including Arizona, Delaware, Illinois, Nevada, and Vermont. As of writing, there are approximately 130 cryptocurrency exchanges in existence.

Assessment of No Fiscal Impact

The bill establishes that an investment contract, which may be regulated by the state's Division of Banking, does not include an open blockchain token that is developed or sold for a consumptive purpose, as defined in the bill. It codifies the state's current practice of not regulating cryptocurrency activities and is assessed as having no fiscal impact.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology
Regulatory Agencies

Law
Secretary of State

Public Safety