



Legislative
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HB 18-1426

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-1241	Date:	September 11, 2018
Prime Sponsors:	Rep. Pabon; Melton Sen. Neville T.; Tate	Bill Status:	Lost in Senate
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Bill Topic: VIRTUAL CURRENCY EXEMPTION MONEY TRANSMITTERS ACT

Summary of Fiscal Impact: **No fiscal impact.** This bill would have codified the state's current practice of not regulating virtual currency transmission.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the revised bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

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 are regulated by the Division of Securities in the Department of Regulatory Agencies (DORA).

Background

Virtual currency, or cryptocurrency, is 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

Because state and local governments are not currently involved in the regulation of virtual currencies, the exemption of virtual currency transmission from the Money Transmitters Act codifies current practice. As such, the bill is assessed as having no fiscal impact.

Effective Date

The bill was lost on third reading in the Senate on May 9, 2018.

State and Local Government Contacts

Regulatory Agencies