Summary of Legislation

Under current law, virtual currency activities are not subject to any state regulation. This bill exempts the transmission of virtual currency from the Money Transmitters Act in the Division of Banking in the Department of Regulatory Agencies (DORA). The bill defines the term "virtual currency" to mean any type of digital representation of value that is used as a medium of exchange, unit of account, or store of value, which is not recognized as legal tender by the United States government.

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.

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 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

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.