



Legislative Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-1269	Date:	April 30, 2018
Prime Sponsors:	Sen. Neville T. Rep. Pabon; Van Winkle	Bill Status:	Senate Finance
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Bill Topic: VIRTUAL CURRENCY EXEMPTION MONEY TRANSMITTERS ACT

Summary of Fiscal Impact: **No fiscal impact.** This bill codifies 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 introduced bill.

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