

HB1220_L.002

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs and Labor.HB18-1220 be amended as follows:

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

3 "SECTION 1. In Colorado Revised Statutes, 11-51-201, **amend**
4 the introductory portion and (17); and **add** (11.8) as follows:

5 **11-51-201. Definitions.** As used in this article **5I**, unless the
6 context otherwise requires:

7 (11.8) "OPEN BLOCKCHAIN TOKEN" MEANS A DIGITAL UNIT THAT
8 IS:

9 (a) CREATED:

10 (I) IN RESPONSE TO THE VERIFICATION OR COLLECTION OF A
11 SPECIFIED NUMBER OF TRANSACTIONS RELATING TO A DIGITAL LEDGER OR
12 DATABASE;

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

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

18 (b) RECORDED IN A DIGITAL LEDGER OR DATABASE THAT IS
19 CONSENSUS-BASED, DECENTRALIZED, AND MATHEMATICALLY VERIFIED IN
20 NATURE, ESPECIALLY RELATING TO THE SUPPLY OF DIGITAL UNITS AND
21 THEIR DISTRIBUTION; AND

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

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

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

39 (c) ~~For purposes of this article~~ AS USED IN SUBSECTION (17)(a) OF

1 THIS SECTION, an "investment contract":
2 (I) Need not involve more than one investor nor be limited to
3 those circumstances wherein there are multiple investors who are joint
4 participants in the same enterprise;

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

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

18 **SECTION 2. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly (August
21 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
22 referendum petition is filed pursuant to section 1 (3) of article V of the
23 state constitution against this act or an item, section, or part of this act
24 within such period, then the act, item, section, or part will not take effect
25 unless approved by the people at the general election to be held in
26 November 2018 and, in such case, will take effect on the date of the
27 official declaration of the vote thereon by the governor."

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