STATE OF NEW YORK

8214

2025-2026 Regular Sessions

IN SENATE

May 21, 2025

Introduced by Sen. MYRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Ethics and Internal Governance

AN ACT to amend the public officers law, in relation to prohibiting certain public officials and their families from engaging in unlawful virtual currency business activities

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short Title. This act shall be known and may be cited as the "Public Official Virtual Currency Regulation Act".

§ 2. The public officers law is amended by adding a new section 73-c to read as follows:

§ 73-c. Public official virtual currency regulation act. 1. Definitions. As used in this section, the following terms shall have the following meanings:

(a) "Covered Individual" means the governor of the state of New York, the lieutenant governor of the state of New York, the comptroller of the state of New York, and the attorney general of the state of New York, person holding the office of president of the United States, or any spouse, domestic partner, child, dependent, sibling, or parent of any such official.

(b) "Covered interest" means: (i) an entitlement to the proceeds or a portion thereof, of the sale or exchange by a third-party of a virtual currency, including but not limited to a fee for such sale or exchange; (ii) an agreement to receive compensation, whether monetary or in-kind, in exchange for the endorsement, sponsorship, or promotion of a virtual currency; or (iii) ownership of or entitlement to an amount of a virtual currency equal to or greater than five percent of the total amount of such currency that is available for purchase, sale, or exchange.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(c) "Covered virtual currency" means a virtual currency in which a covered individual has a covered interest, regardless of whether such interest is direct, indirect, or beneficial.

(d) "Fiat currency" means government-issued currency that is designated as legal tender in its country of issuance through government decree, regulation, or law.

(e) "Person" means an individual, partnership, corporation, association, joint stock association, trust, or other entity, however organized.

(f) "Virtual currency" means any type of digital unit that is issued as a medium of exchange or a form of digitally stored value. Virtual currency:

(i) shall be broadly construed to include digital units of exchange that:

(A) have a centralized repository or administrator;

(B) are decentralized and have no centralized repository or administrator; or

(C) may be created or obtained by computing or manufacturing effort; and

(ii) shall not be construed to include:

(A) digital units that: (1) are used solely within online gaming platforms; (2) have no market or application outside those gaming platforms; (3) cannot be converted into or redeemed for, fiat currency or virtual currency; and (4) may or may not be redeemable for real-world goods, services, discounts, or purchase;

(B) digital units that can be redeemed for goods, services, discounts, or purchases as part of a customer affinity or rewards program with the issuer and/or other designated merchants or can be redeemed for digital units in another customer affinity or rewards program, but cannot be converted into, or redeemed for, fiat currency or virtual currency; or

(C) digital units used as part of an electronic payment device that:

(1) is usable at a single merchant or affiliated group of merchants that share the same name, mark, or logo, or is usable at multiple, unaffiliated merchants or service providers;

(2) is issued in and for a specified amount of a fiat currency;

(3) can be reloaded in and for only fiat currency, if at all;

(4) is issued and/or reloaded on a prepaid basis for the future purchase or delivery of goods and services;

(5) is honored upon presentation; and

(6) can be redeemed in and for only fiat currency, if at all.

(g) "Virtual currency business activity" means the conduct of any one of the following types of activities involving the state of New York or any person that resides, is located, has a place of business, or is conducting business in the state of New York and shall include, but not be limited to: (i) receiving virtual currency for transfer, by or through a third party, of virtual currency from a person to a person, including the transfer from the account or storage repository of a person to the account or storage repository of a person, or transferring, by or through a third party, of virtual currency from a person to a person, including the transfer from the account or storage repository of a person to the account or storage repository of a person, except where the transaction is undertaken for non-financial purposes and does not involve the transfer of more than a nominal amount of virtual currency; (ii) storing, holding, or maintaining custody or control of virtual currency on behalf of others; (iii) buying and selling virtual currency as a customer business; (iv) performing, as a

customer business, conversion or exchange of fiat currency or other value into virtual currency, the conversion or exchange of virtual currency into fiat currency or other value, or the conversion or exchange of one form of virtual currency into another form of virtual currency; or (v) controlling, administering, or issuing a virtual currency. The development and dissemination of software in and of itself shall not constitute virtual currency business activity.

2. Unlawful virtual currency business activity. (a) No person shall engage in any virtual currency business activity in the state of New York with respect to a covered virtual currency.

(b) Notwithstanding paragraph (a) of this subdivision, no person shall engage in any virtual currency business activity in the state of New York with respect to a virtual currency related to a covered individual, regardless if such activity occurred prior or during commencement of such covered individual's period in office.

3. Penalties. Any person who engages in any of the unlawful virtual currency business activities stated in subdivision two of this section shall be liable for a civil penalty of not more than five thousand dollars for each day in which the violation occurs, or fifty thousand dollars for each day on which the violation occurs if the person willfully or knowingly violated such subdivision. Such penalty shall accrue to the state of New York and may be recovered by a civil action.

4. Severability. If any provision of this section or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.