STATE OF NEW YORK

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IN ASSEMBLY

February 7, 2018

Introduced by M. of A. VANEL -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law, in relation to allowing New York state agencies to accept cryptocurrencies as a form of payment

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

Section 1. The state finance law is amended by adding a new section 4-b to read as follows:

§ 4-b. Cryptocurrency as a form of payment. 1. The following terms, when used or referred to in this section, shall have the following meanings:

a. "Cryptocurrency" means any form of digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank including but not limited to, bitcoin, ethereum, litecoin and bitcoin cash.

b. "Cryptocurrency issuer" means an issuer of any form of cryptocurrency, including but not limited to, bitcoin, ethereum, litecoin and bitcoin cash.

c. "Person" means an individual, partnership, corporation or any other legal or commercial entity.

2. Each state agency is authorized to enter into agreements with persons to provide the acceptance, by offices of the state, of crytocurrency as a means of payment of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalties, special assessments and interest, owed to state agencies. Any such agreement shall govern the terms and conditions upon which cyrptocurrency proffered as a means of payment of a fine, civil penalties, rent, rate, tax, fee, charge, revenue, financial obligation or other amount, including penalties, special assessment or interest, shall be accepted or declined and the manner in and conditions upon which such person or cryptocurrency issuer shall pay to such state agency such amount of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including

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

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penalties, special assessment or interest, paid by means of cryptocurrency pursuant to such agreement.

3. Any state agency which has entered into an agreement with a person or cryptocurrency issuer as authorized by the provisions of subdivision two of this section may accept cryptocurrency as a means of payment of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalties, special assessment or interest, as provided in such agreement and may pay such fees as are specified in such agreement to such cryptocurrency issuer in consideration of the services rendered by such cryptocurrency issuer thereunder. Notwithstanding any other provision of law to the contrary, it shall be the option of the state to require, as a condition of accepting payment by cryptocurrency, that such person offering payment by such means pay a service fee to the state not exceeding costs incurred by the state in connection with the cryptocurrency payment transaction, including any fee owed by the state to the cryptocurrency issuer arising from that transaction.

4. The underlying debt, lien, obligation, bill, account or other amount owed to the state for which payment by cryptocurrency is accepted by the state shall not be expunged, cancelled, released, discharged or satisfied, and any receipt or other evidence of payment shall be deemed conditional, until the state has received final and unconditional payment of the full amount due from the cryptocurency issuer for such cryptocurrency transaction.

§ 2. This act shall take effect ninety days 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 and directed to be made and completed on or before such effective date.