STATE OF NEW YORK

9013

IN SENATE

June 13, 2018

Introduced by Sen. PHILLIPS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to establish the digital currency task force; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The legislature hereby establishes the New York state digital currency task force (referred to hereinafter as the "task force") to provide the governor and the legislature with information on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems in the state.

§ 2. 1. The task force shall consist of nine members as follows:

a. three members appointed by the governor;

b. two members appointed by the temporary president of the senate;

c. two members appointed by the speaker of the assembly;

d. one member appointed by the minority leader of the senate; and

e. one member appointed by the minority leader of the assembly.

2. The members of the task force shall receive no compensation for their services, but shall be allowed their actual and necessary expenses incurred in the performance of their duties pursuant to this act.

3. Any vacancies in the membership of the task force shall be filled in the same manner provided for in the initial appointment.

4. The task force may consult with any organization, government entity, or person, in the development of its report required under section three of this act.

§ 3. On or before December 15, 2020, the task force shall submit to the governor, the temporary president of the senate and the speaker of the assembly a report containing, but not limited to, the following information based on available data:

a. a review of the digital currency, cryptocurrency and blockchain industries in New York state;

b. the number of digital currencies currently being traded and their approximate percentage of market share;

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

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c. the number of exchanges operating in New York state and their average monthly trade volume;

d. the use of digital currencies' impact on state and local tax receipts;

e. the types of investment entities that are large investors in digital currency;

f. the energy consumption necessary for coin mining operations and other policy considerations related thereto;

g. the transparency of the digital currency marketplace and the related potential of market manipulation and other illegal activities;

h. a review of laws and regulations on digital currency used by other states, the federal government, foreign countries, and foreign political and economic unions to regulate the marketplace; and

i. legislative and regulatory recommendations, if any, to increase transparency and security, enhance consumer protections, and to address the long term impact related to the use of cryptocurrency.

§ 4. This act shall take effect immediately and shall expire December 15, 2020 when upon such date the provisions of this act shall be deemed repealed.