

STATE OF NEW YORK

1500

2019-2020 Regular Sessions

IN ASSEMBLY

January 15, 2019

Introduced by M. of A. VANEL, SEAWRIGHT, MOSLEY, RA -- Multi-Sponsored
by -- M. of A. COOK -- 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 Assem-
bly, do enact as follows:

1 Section 1. The state finance law is amended by adding a new section
2 4-b to read as follows:

3 § 4-b. Cryptocurrency as a form of payment. 1. The following terms,
4 when used or referred to in this section, shall have the following mean-
5 ings:

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

11 b. "Cryptocurrency issuer" means an issuer of any form of cryptocur-
12 rency, including but not limited to, bitcoin, ethereum, litecoin and
13 bitcoin cash.

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

16 2. Each state agency is authorized to enter into agreements with
17 persons to provide the acceptance, by offices of the state, of crytocur-
18 rency as a means of payment of fines, civil penalties, rent, rates,
19 taxes, fees, charges, revenue, financial obligations or other amounts,
20 including penalties, special assessments and interest, owed to state
21 agencies. Any such agreement shall govern the terms and conditions upon
22 which cryptocurrency proffered as a means of payment of a fine, civil
23 penalties, rent, rate, tax, fee, charge, revenue, financial obligation
24 or other amount, including penalties, special assessment or interest,

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

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1 shall be accepted or declined and the manner in and conditions upon
2 which such person or cryptocurrency issuer shall pay to such state agen-
3 cy such amount of fines, civil penalties, rent, rates, taxes, fees,
4 charges, revenue, financial obligations or other amounts, including
5 penalties, special assessment or interest, paid by means of cryptocur-
6 rency pursuant to such agreement.

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

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

29 § 2. This act shall take effect ninety days after it shall have become
30 a law. Effective immediately, the addition, amendment and/or repeal of
31 any rule or regulation necessary for the implementation of this act on
32 its effective date are authorized and directed to be made and completed
33 on or before such effective date.