STATE OF NEW YORK

1891

2023-2024 Regular Sessions

IN SENATE

January 17, 2023

Introduced by Sens. SANDERS, ADDABBO, COMRIE, COONEY, HARCKHAM, MAY, MYRIE, SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT in relation to establishing the New York state cryptocurrency and blockchain study 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. Short title. This act shall be known and may be cited as the "New York state cryptocurrency and blockchain study act".

§ 2. There is hereby established the New York state cryptocurrency and blockchain study task force (hereinafter referred to 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, including but not limited to blockchain technology, in the state.

§ 3. 1. The task force shall consist of sixteen members as follows:

a. seven members appointed by the governor, which shall include the following five members:

i. the superintendent of the department of financial services, or his or her designee;

ii. the commissioner of the department of environmental conservation, or his or her designee;

iii. a representative from the financial services industry;

iv. a representative from a state or national organization promoting environmental conservation; and

v. a representative who is a faculty member of an accredited college or university in New York state with experience in economic studies.

b. the comptroller of the State of New York, or his or her designee.

c. four members appointed by the temporary president of the senate; and

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

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d. four members appointed by the speaker of the assembly.

2. To the extent practicable, members appointed to the task force shall have relevant experience and knowledge concerning the digital currency, cryptocurrency and blockchain industries.

3. 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.

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

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

6. The members of the task force shall be appointed no later than ninety days after the effective date of this act.

§ 4. On or before December 15, 2025, 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;

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 environmental impact of coin mining operations;

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

i. 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

j. 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.

§ 5. This act shall take effect immediately and shall expire December 15, 2025 when upon such date the provisions of this act shall be deemed repealed.