HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Tate,

House Committees	**Senate Committees**
Business Affairs and Labor	
Finance	

A BILL FOR AN ACT

101   **CONCERNING A REQUIREMENT THAT PERSONS WHO DEAL IN**
102   **CRYPTOCURRENCY BE REGULATED UNDER THE LAWS**
103   **REGULATING MONEY TRANSMITTERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill subjects persons who offer cryptocurrency "wallets", buy or sell cryptocurrencies, or exchange cryptocurrency with fiat currency to regulation under the "Money Transmitters Act". The bill defines cryptocurrency (e.g., bitcoin) and fiat currency.

HOUSE
3rd Reading Unamended
April 20, 2018

HOUSE
Amended 2nd Reading
April 19, 2018

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 11-51-201, **amend** the introductory portion and (17); and **add** (11.8) as follows:

11-51-201. Definitions. As used in this article *51*, unless the context otherwise requires:

(11.8) "OPEN BLOCKCHAIN TOKEN" MEANS A DIGITAL UNIT THAT IS:

(a) CREATED:

(I) IN RESPONSE TO THE VERIFICATION OR COLLECTION OF A SPECIFIED NUMBER OF TRANSACTIONS RELATING TO A DIGITAL LEDGER OR DATABASE;

(II) BY DEPLOYING COMPUTER CODE TO A BLOCKCHAIN NETWORK OR DISTRIBUTED DIGITAL LEDGER THAT ALLOWS FOR THE CREATION OF DIGITAL TOKENS OR OTHER UNITS; OR

(III) USING ANY COMBINATION OF THE METHODS SPECIFIED IN SUBSECTIONS (11.8)(a)(I) AND (11.8)(a)(II) OF THIS SECTION;

(b) RECORDED IN A DIGITAL LEDGER OR DATABASE THAT IS CONSENSUS-BASED, DECENTRALIZED, AND MATHEMATICALLY VERIFIED IN NATURE, ESPECIALLY RELATING TO THE SUPPLY OF DIGITAL UNITS AND THEIR DISTRIBUTION; AND

(c) CAPABLE OF BEING TRADED OR TRANSFERRED BETWEEN PERSONS WITHOUT AN INTERMEDIARY OR CUSTODIAN OF VALUE.

(17) (a) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate of subscription; transferable share; investment

1   contract; viatical settlement investment; voting-trust certificate; certificate

2   of deposit for a security; certificate of interest or participation in an oil,

3   gas, or mining title or lease or in payments out of production under such

4   a title or lease; or, in general, any interest or instrument commonly known

5   as a "security" or any certificate of interest or participation in, temporary

6   or interim certificate for, guarantee of, or warrant or right to subscribe to

7   or purchase any of the foregoing.

8   (b) "Security" does not include any insurance or endowment

9   policy or annuity contract under which an insurance company promises

10 to pay a sum of money either in a lump sum or periodically for life or

11 some other specified period.

12   (c) ~~For purposes of this article~~ AS USED IN SUBSECTION (17)(a) OF

13 THIS SECTION, an "investment contract":

14   (I) Need not involve more than one investor nor be limited to

15 those circumstances wherein there are multiple investors who are joint

16 participants in the same enterprise;

17   (II) INCLUDES AN INVESTMENT IN A COMMON ENTERPRISE WITH

18 THE EXPECTATION OF PROFITS TO BE DERIVED PRIMARILY FROM THE

19 EFFORTS OF A PERSON OTHER THAN THE INVESTOR. "COMMON

20 ENTERPRISE" MEANS AN ENTERPRISE IN WHICH THE FORTUNES OF THE

21 INVESTOR ARE INTERWOVEN WITH THOSE OF EITHER THE PERSON OFFERING

22 THE INVESTMENT, A THIRD PARTY, OR OTHER INVESTORS.

23   (III) DOES NOT INCLUDE AN OPEN BLOCKCHAIN TOKEN THAT IS

24 DEVELOPED OR SOLD FOR A CONSUMPTIVE PURPOSE WHERE THE BUYER AT

25 OR NEAR THE TIME OF SALE HAS NO EXPECTATION OF PROFIT.

26 "CONSUMPTIVE PURPOSE" MEANS THAT AN OPEN BLOCKCHAIN TOKEN IS

27 EXCHANGEABLE FOR, OR PROVIDED FOR THE RECEIPT OF, GOODS,

1   SERVICES, OR CONTENT, INCLUDING RIGHTS OF ACCESS TO GOODS,

2   SERVICES, OR CONTENT.

3   **SECTION 2. Act subject to petition - effective date.** This act

4 takes effect at 12:01 a.m. on the day following the expiration of the

5 ninety-day period after final adjournment of the general assembly (August

6 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a

7 referendum petition is filed pursuant to section 1 (3) of article V of the

8 state constitution against this act or an item, section, or part of this act

9 within such period, then the act, item, section, or part will not take effect

10 unless approved by the people at the general election to be held in

11 November 2018 and, in such case, will take effect on the date of the

12 official declaration of the vote thereon by the governor.