

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SENATE BILL 1667

By: Dahm

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6 AS INTRODUCED

7 An Act relating to cryptocurrency; authorizing
8 cryptocurrency to be used for purchases and payments
9 under certain conditions; requiring certain contract;
10 providing for regulations; exempting banks and
11 certain companies and firms; defining terms;
12 requiring token issuers to be money transmitters;
13 stating what cryptocurrency is not; directing the
14 Oklahoma Department of Commerce to promulgate rules;
15 directing certain consideration for rules;
16 authorizing governmental agencies and marketplace
17 sellers to accept cryptocurrency on certain date and
18 under certain condition; stating time for exchange
19 into currency; allowing agencies to incorporate
20 certain payments into payment system technology;
21 construing validity of certain contracts; making
22 certain income subject to state income tax; requiring
23 certain license; providing for money laundering under
24 certain condition; construing financial investment
25 authority; requiring method to determine monetary
26 value, negotiability and whether cryptocurrency is
27 redeemable in currency; directing the Oklahoma
28 Department of Commerce to promulgate certain rules,
29 applications and procedures for certain purposes;
30 requiring license to engage in transmission of
31 virtual currency; providing for codification; and
32 providing an effective date.

33 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 11-100.1 of Title 14A, unless
3 there is created a duplication in numbering, reads as follows:

4 Notwithstanding any state law to the contrary, beginning January
5 1, 2021, cryptocurrency may be used, offered, sold, exchanged and
6 accepted as an instrument of monetary value within the governmental
7 agencies of this state, the governmental agencies within the state's
8 political subdivisions, and by marketplace sellers; provided, such
9 governmental agencies and marketplace sellers have entered into a
10 written contractual agreement with a money services business to use
11 cryptocurrency as a payment instrument. Cryptocurrency shall be
12 regulated as provided in this act and the rules promulgated thereto.
13 Banks, bank holding companies, security-clearing firms, payment and
14 settlement processors, and broker dealers shall be exempt from the
15 provisions of this act.

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 11-100.2 of Title 14A, unless
18 there is created a duplication in numbering, reads as follows:

19 For purposes of this act,

20 1. "Cryptocurrency" means a payment instrument, virtual
21 currency and instrument of monetary value whether or not negotiable;

22 2. "Payment instrument" means token, check, draft, warrant,
23 money order, electronic instrument or other instrument, payment of
24 money or monetary value whether or not negotiable;

1 3. "Monetary value" means a medium of exchange whether or not
2 redeemable in currency;

3 4. "Virtual currency" means any type of digital unit that is
4 used as a medium of exchange or a form of digitally stored value or
5 that is incorporated into a payment system technology and includes
6 tokens, coins or electronic instruments issued by a money
7 transmitter and having a monetary value whether or not redeemable as
8 currency;

9 5. "Money transmitter" means a person, firm, partnership,
10 corporation, limited liability company, limited liability
11 partnership, or foreign entity qualified to do business in this
12 state which receives currency, monetary value, or payment
13 instruments for the purpose of transmitting the same by any means
14 including transmissions by wire, facsimile, electronic transfer,
15 courier, the Internet, bill payment services or systems, or other
16 businesses that facilitate such transfer within this state and
17 country, or to or from this state and country;

18 6. "Currency" means the coin and paper money of the United
19 States or of any other country which is designated as legal tender,
20 and which circulates and is customarily accepted as a medium of
21 exchange in the country of issuance. Currency includes the United
22 States silver certificates, United States notes, and Federal Reserve
23 notes. Currency also includes official foreign bank notes that are
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1 customarily used and accepted as a medium of exchange in a foreign
2 country;

3 7. "Cashing" means providing currency in exchange for payment
4 instruments;

5 8. "Electronic instrument" means a card, tangible object, or
6 other form of electronic payment for the transmission or payment of
7 money or the exchange of monetary value, including a stored value
8 card or device that contains a microprocessor chip, magnetic stripe,
9 or other means of storing information; that is prefunded, and for
10 which the value is decremented upon each use;

11 9. "Cryptocurrency exchanger" means a person who facilitates
12 and exchanges, for compensation, cryptocurrency to currency and
13 provides cashing services;

14 10. "Money services business" means any person located in or
15 doing business in this state, from this state or into this state
16 from locations outside this state or country who acts as a payment
17 instrument seller, token issuer, cryptocurrency exchanger, money
18 transmitter, or who provides cashing services;

19 11. "Seller" means to sell, issue, provide or deliver;

20 12. "Token" means a tangible object, instrument or coin
21 representing virtual currency;

22 13. "Token issuer" means a person, firm, partnership,
23 corporation, limited liability company, limited liability
24 partnership, or foreign entity qualified to do business in this

1 state who issues cryptocurrency in the form of tangible objects,
2 tokens or digital instruments with stored value;

3 14. "Stored value" means funds or monetary value represented in
4 digital electronic format, whether or not specifically encrypted,
5 and stored or capable of storage on electronic media in such a way
6 as to be retrievable and transferred electronically;

7 15. "Marketplace seller" means a business located in or doing
8 business in this state, from this state or into this state from
9 locations outside this state or country who sells products, goods
10 and services to the public; and

11 16. "Marketplace facilitator" means person, firm, partnership,
12 corporation, limited liability company, limited liability
13 partnership or foreign entity qualified to do business in this state
14 that provides cashing and cryptocurrency exchanger services to
15 customers, governmental agencies and marketplace sellers, or acts as
16 a central depository for cryptocurrency.

17 SECTION 3. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 11-100.3 of Title 14A, unless
19 there is created a duplication in numbering, reads as follows:

20 For purposes of this act, token issuers shall be deemed money
21 transmitters, subject to state laws. Cryptocurrency shall not be
22 considered a commodity or security.
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1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 11-100.4 of Title 14A, unless
3 there is created a duplication in numbering, reads as follows:

4 The Oklahoma Department of Commerce shall promulgate rules and
5 regulations to implement, enforce and establish regulations
6 specifically applicable to cryptocurrency businesses, and the
7 exemptions from current money transmitter laws, security laws and
8 banking regulations which may hamper the innovation of
9 cryptocurrency businesses under the provisions of this act. The
10 Department is directed in promulgating the rules and regulations to
11 balance the dual needs of protecting consumers and promoting
12 continued entrepreneurial development and innovation for
13 cryptocurrency businesses.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 11-100.5 of Title 14A, unless
16 there is created a duplication in numbering, reads as follows:

17 Beginning January 1, 2021, every governmental agency in this
18 state may accept cryptocurrency as payment for goods and services;
19 provided, there is a contractual agreement naming and requiring a
20 marketplace facilitator to convert received cryptocurrency into
21 currency within twenty-four (24) hours of its transmission for
22 deposit and exchange, and additionally to deposit such currency into
23 the governmental treasury account specified.

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1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 11-100.6 of Title 14A, unless
3 there is created a duplication in numbering, reads as follows:

4 Any governmental agency may incorporate cryptocurrency payments
5 into its governmental payment system technology.

6 SECTION 7. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 11-100.7 of Title 14A, unless
8 there is created a duplication in numbering, reads as follows:

9 A contractual agreement relating to cryptocurrency used as
10 payment under the provisions of this act shall not be denied legal
11 effect, validity or enforceability solely because that contract
12 contains one or more smart contract terms.

13 SECTION 8. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 11-100.8 of Title 14A, unless
15 there is created a duplication in numbering, reads as follows:

16 All income derived from the purchase, sale, receipt, payment or
17 exchange of cryptocurrency shall be subject to state income tax.

18 SECTION 9. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 11-100.9 of Title 14A, unless
20 there is created a duplication in numbering, reads as follows:

21 Any person or organization engaged in the business of buying,
22 selling and/or facilitating the transfer of cryptocurrency within
23 the state shall be required to be licensed as a money transmitter
24 according to Oklahoma Statutes.

1 SECTION 10. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 11-100.10 of Title 14A, unless
3 there is created a duplication in numbering, reads as follows:

4 The Oklahoma Statutes regarding money laundering shall apply to
5 cryptocurrency transactions if a person engages in cryptocurrency
6 transmissions without a license issued by this state for a money
7 transmitter.

8 SECTION 11. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 11-100.11 of Title 14A, unless
10 there is created a duplication in numbering, reads as follows:

11 Nothing in this act shall prohibit a person from buying
12 cryptocurrency as a financial investment.

13 SECTION 12. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 11-100.12 of Title 14A, unless
15 there is created a duplication in numbering, reads as follows:

16 To determine whether or not a particular cryptocurrency
17 presented as payment is negotiable and redeemable in currency, the
18 contractual agreement between the governmental agency, or a
19 marketplace seller, and the named and designated marketplace
20 facilitator shall set forth the method to be used in determining
21 current monetary value of the virtual currency and shall
22 specifically name each cryptocurrency that will be accepted and be
23 eligible for cashing, exchange and redemption for currency. No
24 other cryptocurrency shall be deemed a viable instrument of value

1 eligible for cashing, exchange or redemption for currency under the
2 contractual agreement.

3 SECTION 13. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 11-100.13 of Title 14A, unless
5 there is created a duplication in numbering, reads as follows:

6 The Oklahoma Department of Commerce shall develop a licensing
7 application and fee for issuing licenses to businesses engaged in
8 the transmission of virtual currency pursuant to this act. The
9 Department shall promulgate rules, form and procedures to regulate
10 the transmission of virtual currency in this state.

11 SECTION 14. This act shall become effective November 1, 2020.

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