

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 843
Version:	INT
Request No.:	110
Author:	Sen. Dahm
Date:	01/30/2019

Bill Analysis

SB 843 states that a developer or seller of an open blockchain token shall not be deemed the issuer of a security and a person who facilitates the exchange of an open blockchain token shall not be deemed a broker-dealer if certain conditions enumerated by the measure are met. The Administrator of the Oklahoma Securities Commission shall have the authority to determine if a person meets these conditions. Developers and sellers of blockchain tokens will be required to electronically file a notice of intent with the Administrator before the person shall qualify for an exemption. The notice must contain certain contact information for the developer or facilitator and must indicate whether the person is acting as a developer, seller, or facilitator. The Administrator is further authorized to halt any action with cause that violates a provision of this measure and must commence a contested case proceeding within twenty days after issuing an order to cease and desist.

The measure excludes banks, electronic transfers of governmental benefits, and the buying, selling, issuing, or taking custody of payment instruments or stored value in the form of virtual currency or receiving virtual currency for transmission to a location within or outside the United States by any means.

Prepared by: Kalen Taylor

Fiscal Analysis

FY '20 impact – Indeterminable

Full year impact – Indeterminable

Here is the response from the Securities Department in relation to a fiscal impact: "The fiscal impact of SB 843 on Department revenues is not determinable. Since the subject matter of the legislation would be new to the regulatory framework in the state of Oklahoma, the Department has no way of knowing how many persons would be subject to registration as a broker-dealer or agent. The annual fees are \$300 for each broker-dealer and \$50 for each agent. Further, the Department is unable to determine the impact on securities registration fees. While the proposed legislation requires a notice filing, there is no provision for the imposition of a fee. In addition, the language of the bill creates confusion that may impact Department operations, particularly, the provisions that conflict with existing securities law. The likely confusion to the public regarding implementation of the bill, and the lack of expertise by personnel of the Department in

the area of blockchain tokens, could create the need for the addition of a new FTE, with expertise in the specialized area of cryptocurrency, to address an anticipated increase in workload. It should be noted that SB 843 is modeled after HB 70 that was passed by the Wyoming Legislature last year. Due to the chaos created by that legislation, the Wyoming Legislature is in the process of repealing the provisions of HB 70."

Prepared by: Department of Securities