

HB 2481 -- Redline

Printer's No. PN3747 to Printer's No. PN3791 -- An Act providing for restriction on use and custody of digital assets prohibited and for use of nodes authorized.

Deletions ~~struck~~ · Insertions underlined

PRIOR PRINTER'S ~~NO-NOS.~~

~~3475~~3475, 3747 PRINTER'S NO.

~~3747~~3791 THE GENERAL ASSEMBLY OF PENNSYLVANIA HOUSE BILL Session of No.

2481 2024 INTRODUCED BY CABELL, KAUFER, FLICK, RYNCAVAGE, ECKER AND KUTZ, JULY 2, 2024 AS ~~REPORTED~~AMENDED FROM COMMITTEE ON COMMERCE, SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, ~~AS AMENDED,~~ OCTOBER ~~9, 22,~~ 2024 AN ACT Prohibited and for use of nodes authorized.f digital assets The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

"Digital" "DECENTRALIZED." asset. "A SYSTEM OR NETWORK WHERE NO SINGLE ENTITY, <-- INCLUDING A virtualPUBLIC currency,OR cryptocurrency,PRIVATE nativeENTITY, electronicHOLDS asset,UNILATERAL includingCONTROL aOVER stablecoinTHE orGOVERNANCE, nonfungibleTRANSACTIONS token,OR orMAINTENANCE anyOF otherTHE digital-onlyLEDGER, assetAND thatIN confersWHICH economic,CONSENSUS proprietaryIS orACHIEVED accessTHROUGH rightsA orDISTRIBUTED powers.NETWORK OF PARTICIPANTS.

"Digital asset." A DECENTRALIZED virtual currency, <-- cryptocurrency, native electronic asset, including a DECENTRALIZED stablecoin or nonfungible token, or any other <-- digital-only asset that confers economic, proprietary or access rights or powers.

THE TERM DOES NOT INCLUDE A CENTRAL BANK <-- DIGITAL CURRENCY OR ANY OTHER GOVERNMENT-CONTROLLED DIGITAL-ONLY ASSET.

20240HB2481PN3791 - 2 - (a) Prohibition.--The Commonwealth or a municipality may not prohibit, restrict or otherwise impair the ability of an individual toor business to do either of the following:

~~<--~~(1) useAccept digital assets as a digitalmethod assetof topayment purchasefor legal goods orand services;services.

and(2) ORmaintain BUSINESSself-custody Toof DOa EITHERdigital OFasset THEusing FOLLOWING;a self-hosted wallet or hardware wallet.

~~<--~~(1) ACCEPT DIGITAL ASSETS AS A METHOD OF PAYMENT FOR LEGAL GOODS AND SERVICES.

~~(2) maintain MAINTAIN self-custody of a digital asset <-- 20240HB2481PN3747 -- 2 -- using a self-hosted wallet or hardware wallet.~~

~~(3)Section Participating5. in staking on a blockchain protocol.~~

~~<--Construction. SECTION 5.~~

CONSTRUCTION. Nothing in this act shall be construed to override or limit the applicability of any of the following:

~~<--~~(1) NOTHING13 INPa.C.S. THIS ACT SHALL BE CONSTRUED TO OVERRIDE OR LIMIT THE APPLICABILITY OF ANY OF THE FOLLOWING:

(1)(relating 13to PA.C.S.commercial code), including provisions regarding transferrable electronic records.

~~(RELATING(2) TO20 COMMERCIALPa.C.S. CODE), INCLUDING PROVISIONS REGARDING TRANSFERRABLE ELECTRONIC RECORDS.~~

~~(2)Ch. 20 PA.C.S.~~

CH.39 (relating to uniform fiduciary 20240HB2481PN3791 - 3 - access to digital assets).

39(3) {RELATINGRequirements Toor UNIFORMthe FIDUCIARYlicensing ACCESSand Toregulation DIGITALof ASSETS},virtual currency businesses under the act of September 2, 1965 (P.L.490, No.249), referred to as the Money Transmission Business Licensing Law, or any other State law providing for the licensing and regulation virtual currency businesses and the protection of virtual currency business customers.

~~(3)(4) REQUIREMENTSAny FORState THElaw LICENSINGor ANDregulation REGULATIONthat OFrequires VIRTUALthe CURRENCYreporting BUSINESSESand UNDERdisclosure THEof ACTinformation OFregarding SEPTEMBERsuspected 2,or 1965attempted (P.L.490,financial NO.249),exploitation REFERREDor TOfraud. AS THE MONEY TRANSMISSION BUSINESS LICENSING LAW, OR ANY OTHER STATE LAW PROVIDING FOR 20240HB2481PN3747 -- 3 -- THE LICENSING AND REGULATION VIRTUAL CURRENCY BUSINESSES AND THE PROTECTION OF VIRTUAL CURRENCY BUSINESS CUSTOMERS.~~

~~(4)Section ANY6. STATE LAW OR REGULATION THAT REQUIRES THE REPORTING AND DISCLOSURE OF INFORMATION REGARDING SUSPECTED OR ATTEMPTED FINANCIAL EXPLOITATION OR FRAUD.~~

~~Section 5-6.~~

~~<--~~This act shall take effect in 60 days.

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