

FIRST REGULAR SESSION

# HOUSE BILL NO. 1136

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BYRNES.

1102H.011

JOSEPH ENGLER, Chief Clerk

### AN ACT

To amend chapter 362, RSMo, by adding thereto four new sections relating to the digital assets authorization act.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 362, RSMo, is amended by adding thereto four new sections, to be known as sections 362.1125, 362.1126, 362.1127, and 362.1128, to read as follows:

**362.1125. 1. Sections 362.1125 to 362.1128 shall be known and may be cited as the "Digital Assets Authorization Act".**

**2. As used in sections 362.1125 to 362.1128, the following terms mean:**

**(1) "Blockchain", data that is shared across a network to create a ledger of verified transactions or information among network participants linked using cryptography to maintain the integrity of the ledger and to execute other functions and distributed among network participants in an automated fashion to concurrently update network participants on the state of the ledger and any other functions;**

**(2) "Blockchain protocol", an executable software deployed to a blockchain composed of source code that is publicly available and accessible, including a smart contract or a network of smart contracts;**

**(3) "Decentralized", a system or network where no single entity, including a public or private entity, holds unilateral control over the governance, transactions, or maintenance of the ledger and in which consensus is achieved through a distributed network of participants;**

**(4) "Digital asset", a decentralized virtual currency, cryptocurrency, native electronic asset including a decentralized stablecoin or nonfungible token, or any other**

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **digital-only asset that confers economic, proprietary, or access rights or powers. The**  
19 **term does not include a central bank digital currency or any other government-**  
20 **controlled digital-only asset;**

21 **(5) "Hardware wallet", a physical device that is not continuously connected to**  
22 **the internet and allows an individual to secure and transfer a digital asset and under**  
23 **which the owner of the digital asset retains independent control over the digital asset;**

24 **(6) "Node", a computational device that contains and updates a copy of a**  
25 **blockchain;**

26 **(7) "Self-hosted wallet", a digital interface used to secure and transfer a digital**  
27 **asset and under which the owner of the digital asset retains independent control over the**  
28 **digital asset.**

**362.1126. 1. The state of Missouri or a municipality shall not prohibit, restrict,**  
2 **or otherwise impair the ability of an individual or business to do either of the following:**

3 **(1) Accept digital assets as a method of payment for legal goods and services; or**

4 **(2) Maintain self-custody of a digital asset using a self-hosted wallet or hardware**  
5 **wallet.**

6 **2. The state of Missouri or a municipality shall not impose any additional tax,**  
7 **withholding, assessment, or charge on a digit asset that is based solely on the use of the**  
8 **digital asset as a method of payment to purchase legal goods or services. Nothing in this**  
9 **subsection shall be construed to prohibit the state or a municipality from imposing a tax,**  
10 **withholding, assessment, or charge on a digital asset for a purchase if the tax,**  
11 **withholding, assessment, or charge would otherwise be imposed for the purchase**  
12 **through the use of legal tender of the United States.**

**362.1127. It shall be lawful in this state to operate a node for the following**  
2 **purposes:**

3 **(1) Connecting to a blockchain protocol or a protocol built on top of a**  
4 **blockchain protocol; or**

5 **(2) Transferring a digital asset on a blockchain protocol.**

**362.1128. Nothing in sections 362.1125 to 362.1128 shall be construed to override**  
2 **or limit the applicability of any of the following:**

3 **(1) Chapter 400, relating to commercial code, including provisions regarding**  
4 **transferrable electronic records;**

5 **(2) Sections 472.400 to 472.490, relating to uniform fiduciary access to digital**  
6 **assets;**

7 **(3) Sections 361.900 to 361.1035, relating to the Missouri money transmission**  
8 **modernization act;**

- 9           **(4) Any other state law providing for the licensing and regulation of virtual**  
10 **currency businesses and the protection of virtual currency business customers; or**  
11           **(5) Any state law or regulation that requires the reporting and disclosure of**  
12 **information regarding suspected or attempted financial exploitation or fraud.**

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