

GREEN SHEET REDIGEST

HB 701

2020 Regular Session

Wright

COMMERCE: Provides for the licensing and regulation of virtual currency businesses

DIGEST

Proposed law defines "applicant", "control", "department", "exchange", "insolvent", "legal tender", "licensee", "person", "reciprocity agreement", "registrant", "registration", "regulated financial institution", "resident", "responsible individual", "state", "store", "transfer", "United States dollar equivalent of virtual currency", "virtual currency", "virtual currency administration", "virtual currency business activity", and "virtual currency control services vendor".

Proposed law applies to the virtual currency business activity of a person who engages in or holds itself out as engaging in the activity with, or on behalf of, a resident.

Proposed law describes activities for which proposed law is not applicable.

In addition to the exempted activities described, proposed law allows the office of financial institutions (OFI) to determine that a person or class of persons, given facts particular to that person, shall also be exempt from the provisions of proposed law.

Proposed law requires a person engaging in virtual currency business activity, or holding itself out as being able to engage in virtual currency business activity, with or on behalf of a resident to be licensed by OFI and establishes the criteria for licensure.

Proposed law provides for the appeal of a denial of an application for licensure and the renewal of a license.

Proposed law provides for the reciprocity of a license issued by another governing authority and the transferability of a license issued pursuant to proposed law.

Proposed law requires a security deposit from applicants for licensure.

Proposed law authorizes a virtual currency business that meets certain criteria to engage in business pursuant to a registration with OFI in lieu of obtaining a license.

Proposed law authorizes OFI to enforce proposed law through certain actions and provides for penalties for the violation of proposed law.

Proposed law requires OFI to promulgate administrative rules to implement and enforce proposed law.

(Adds R.S. 6:1381-1394)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Delete the defined term "bank" and instead define "regulated financial institution" for the purposes of proposed law.
2. Provide that proposed law does not apply to any activity by a regulated financial institution.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Make technical changes.