

Senate Bill 228

By: Senators Esteves of the 35th, Jackson of the 41st, Parent of the 44th, Mallow of the 2nd, Jones II of the 22nd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated,
2 relating to state depositories, so as to provide for the State Depository Board to allow the
3 state treasurer to invest in bitcoin; to require the state treasurer to develop policies and
4 procedures for the acceptance, storage, and transacting of bitcoin by the state; to require that
5 bitcoin received or otherwise owned by the state shall be held in accordance with such
6 policies and procedures; to provide for definitions; to provide for related matters; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to
11 state depositories, is amended by revising subsection (b) of Code Section 50-17-63, relating
12 to deposit of demand funds, investment of funds, reports, remittance of interest earned, motor
13 fuel tax revenues, as follows:

14 "(b) All departments, boards, bureaus, and other agencies of the state shall report to the
15 board, on such forms and at such times as the board may prescribe, such information as the
16 board may reasonably require concerning deposits and withdrawals pursuant to this Code

17 section and shall enable the board to determine compliance with this Code section. Interest
18 earned on state funds withdrawn from the state treasury on approved budgets shall be
19 remitted to the Office of the State Treasurer by each department, board, bureau, or agency
20 and placed in the general fund. The board may permit the state treasurer to invest in any
21 one or more of the following: bankers' acceptances; commercial paper; bonds, bills,
22 certificates of indebtedness, notes, or other obligations of the United States and its
23 subsidiary corporations and instrumentalities or entities sanctioned or authorized by the
24 United States government including, but not limited to, obligations or securities issued or
25 guaranteed by Banks for Cooperatives regulated by the Farm Credit Administration, the
26 Commodity Credit Corporation, Farm Credit Banks regulated by the Farm Credit
27 Administration, Federal Assets Financing Trusts, the Federal Financing Bank, Federal
28 Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National
29 Mortgage Association, the Financial Assistance Corporation chartered by the Farm Credit
30 Administration, the Government National Mortgage Association, the Import-Export Bank,
31 Production Credit Associations regulated by the Farm Credit Administration, the
32 Resolution Trust Corporation, and the Tennessee Valley Authority; obligations of
33 corporations organized under the laws of this state or any other state but only if the
34 corporation has a market capitalization equivalent to \$100 million; provided, however, that
35 such obligation shall be listed as investment grade by a nationally recognized rating
36 agency; the shares of any mutual fund the investments of which are limited to securities of
37 the type described in this subsection and distributions from which are treated for federal
38 income tax purposes in the same manner as the interest on said obligations, provided that
39 at the time of investment such obligations, or the obligations held by any such unit
40 investment trust or the obligations held or to be acquired by any such mutual fund, are
41 limited to obligations which are rated within one of the top two rating categories of any
42 nationally recognized rating service or any rating service recognized by the commissioner
43 of banking and finance, and no others, or to securities lending transactions involving

44 securities of the type described in this subsection; bonds, notes, warrants, and other
45 securities not in default which are the direct obligations of the government of any foreign
46 country which the International Monetary Fund lists as an industrialized country and for
47 which the full faith and credit of such government has been pledged for the payment of
48 principal and interest, provided that such securities are listed as investment grade by a
49 nationally recognized rating agency; bitcoin, as such term is defined in Code
50 Section 50-17-68; or obligations issued, assumed, or guaranteed by the International Bank
51 for Reconstruction and Development or the International Financial Corporation, provided
52 that such securities are listed as investment grade by a nationally recognized rating agency;
53 provided, however, that interest earned on the investment of motor fuel tax revenues shall
54 be defined as motor fuel tax revenues and shall be appropriated in conformity with and
55 pursuant to Article III, Section IX, Paragraph VI(b) of the Constitution of Georgia. The
56 board may also permit the state treasurer to lend any of the securities of the type identified
57 in this subsection subject to the limitations of subsection (b) of Code Section 50-5A-7 and
58 this chapter."

59 **SECTION 2.**

60 Said article is further amended by adding a new Code section to read as follows:

61 "50-17-68.

62 (a) As used in this Code section, the term:

63 (1) 'Bitcoin' means the decentralized digital asset created by a peer-to-peer network that
64 operates with no central authority or banks.

65 (2) 'Cold storage' means a method of storing private keys required to transact in bitcoin,
66 with a nexus to a secure, physical location that is protected from unauthorized access and
67 isolated from any network connections.

68 (b) The state treasurer, in consultation with the board, shall develop policies and
69 procedures for the acceptance of, storage of, and transacting in bitcoin on behalf of the state

70 that ensures the secure storage and protection of any bitcoin owned by the state and that
71 utilizes secure custodial technologies, cold storage, and best practices in digital asset
72 management. Such policies and procedures may involve the use of qualified, United States
73 based entities that are approved by the board to serve as the custodians of bitcoin owned
74 by the state. All bitcoin received or otherwise owned by the state, including, without
75 limitation, investments made in bitcoin pursuant to Code Section 50-17-63, shall be held
76 in accordance with such policies and procedures."

77 **SECTION 3.**

78 All laws and parts of laws in conflict with this Act are repealed.