

SECOND REGULAR SESSION

HOUSE BILL NO. 2672

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRISTOFANELLI.

5117H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 137.100, 361.700, and 361.705, RSMo, and to enact in lieu thereof four new sections relating to virtual currency.

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

Section A. Sections 137.100, 361.700, and 361.705, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 137.100, 324.1160, 361.700, and 361.705, to read as follows:

137.100. The following subjects are exempt from taxation for state, county or local purposes:

(1) Lands and other property belonging to this state;

(2) Lands and other property belonging to any city, county or other political subdivision in this state, including market houses, town halls and other public structures, with their furniture and equipments, and on public squares and lots kept open for health, use or ornament;

(3) Nonprofit cemeteries;

(4) The real estate and tangible personal property which is used exclusively for agricultural or horticultural societies organized in this state, including not-for-profit agribusiness associations;

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as

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.

16 investment even though the income or rentals received therefrom is used wholly for religious,
17 educational or charitable purposes;

18 (6) Household goods, furniture, wearing apparel and articles of personal use and
19 adornment, as defined by the state tax commission, owned and used by a person in his home
20 or dwelling place;

21 (7) Motor vehicles leased for a period of at least one year to this state or to any city,
22 county, or political subdivision or to any religious, educational, or charitable organization
23 which has obtained an exemption from the payment of federal income taxes, provided the
24 motor vehicles are used exclusively for religious, educational, or charitable purposes;

25 (8) Real or personal property leased or otherwise transferred by an interstate compact
26 agency created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to
27 another for which or whom such property is not exempt when immediately after the lease or
28 transfer, the interstate compact agency enters into a leaseback or other agreement that directly
29 or indirectly gives such interstate compact agency a right to use, control, and possess the
30 property; provided, however, that in the event of a conveyance of such property, the interstate
31 compact agency must retain an option to purchase the property at a future date or, within the
32 limitations period for reverters, the property must revert back to the interstate compact
33 agency. Property will no longer be exempt under this subdivision in the event of a
34 conveyance as of the date, if any, when:

35 (a) The right of the interstate compact agency to use, control, and possess the property
36 is terminated;

37 (b) The interstate compact agency no longer has an option to purchase or otherwise
38 acquire the property; and

39 (c) There are no provisions for reverter of the property within the limitation period for
40 reverters;

41 (9) All property, real and personal, belonging to veterans' organizations. As used in
42 this section, "veterans' organization" means any organization of veterans with a congressional
43 charter, that is incorporated in this state, and that is exempt from taxation under section 501(c)
44 (19) of the Internal Revenue Code of 1986, as amended;

45 (10) Solar energy systems not held for resale; **and**

46 **(11) Virtual currencies. As used in this section, "virtual currency" means any**
47 **type of digital representation of value that:**

48 **(a) Is used as a medium of exchange, unit of account, or store of value; and**

49 **(b) Is not recognized as legal tender by the United States government.**

324.1160. 1. As used in this section, the following terms mean:

2 **(1) "Blockchain", a digital ledger or database that is chronological, consensus-**
3 **based, decentralized, and mathematically verified in nature;**

4 (2) "Consumptive", a circumstance when a token is exchangeable for, or
5 provided for the receipt of, services, software, content, or real or tangible personal
6 property, including rights of access to services, content, or real or tangible personal
7 property;

8 (3) "Developer", the person primarily responsible for creating an open
9 blockchain token or otherwise designing the token, including by executing the
10 technological processes necessary to create the token;

11 (4) "Digital asset", a representation of economic, proprietary, or access rights
12 that is stored in a computer-readable format and is either a digital consumer asset,
13 digital security, or virtual currency;

14 (5) "Digital security", a digital asset that constitutes a security, as defined under
15 section 409.1-102, but shall exclude digital consumer assets and virtual currency;

16 (6) "Facilitator", a person who, as a business, makes open blockchain tokens
17 available for resale to the public after a token has been purchased by an initial buyer;

18 (7) "Financial investment", a contract, transaction, or arrangement where a
19 person invests moneys in a common enterprise and is led to expect profits solely from
20 the efforts of a promoter or a third party;

21 (8) "Open blockchain token", a digital unit that is:

22 (a) Created:

23 a. In response to the verification or collection of a specified number of
24 transactions relating to a digital ledger or database;

25 b. By deploying computer code to a digital ledger or database, which may
26 include a blockchain, that allows for the creation of digital tokens or other units; or

27 c. Using a combination of the methods described under subparagraphs a and b
28 of this paragraph;

29 (b) Recorded to a digital ledger or database, which may include a blockchain;

30 (c) Capable of being traded or transferred between persons without an
31 intermediary or custodian of value; and

32 (d) Not virtual currency or a digital security;

33 (9) "Seller", a person who makes an open blockchain token available for
34 purchase to an initial buyer;

35 (10) "Virtual currency", a digital asset that:

36 (a) Is used as a medium of exchange, unit of account, or store of value; and

37 (b) Is not recognized as legal tender by the United States government.

38 2. An open blockchain token with the following characteristics constitutes
39 intangible personal property:

40 (1) The predominant purpose of the token is consumptive;

41 **(2) The developer or seller did not market the token to the initial buyer as a**
42 **financial investment; and**

43 **(3) At least one of the following:**

44 **(a) The developer or seller reasonably believed that it sold the token to the initial**
45 **buyer for a consumptive purpose;**

46 **(b) The token has a consumptive purpose that is available at or near the time of**
47 **sale and can be used at or near the time of sale for a consumptive purpose;**

48 **(c) The initial buyer of the token is prohibited by the developer or seller of the**
49 **token from reselling the token until the token is available to be used for a consumptive**
50 **purpose; or**

51 **(d) The developer or seller takes other reasonable precautions to prevent an**
52 **initial buyer from purchasing the token as a financial investment.**

53 **3. Before making an open blockchain token available for sale, the developer or**
54 **seller of a token, or the registered agent of the developer or seller, shall electronically file**
55 **a notice of intent with the secretary of state and pay a filing fee of one thousand dollars**
56 **to offset the costs of administering this section. A form shall be made available by the**
57 **secretary of state for this purpose, which shall include a secure electronic form**
58 **conspicuously posted on the internet website of the secretary of state. The notice of**
59 **intent shall contain:**

60 **(1) The name of the person acting as a developer or seller;**

61 **(2) The contact information of the person or the registered agent of the person;**

62 **(3) Comprehensive details on the open blockchain token made available for sale;**

63 **and**

64 **(4) Any other information as reasonably required by the secretary of state.**

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66 **A developer, seller, and the registered agent of these persons, if applicable, shall have a**
67 **continuing duty to update the contact information provided on a notice of intent as long**
68 **as the open blockchain token associated with the notice is actively being sold.**

361.700. 1. Sections 361.700 to 361.727 shall be known and may be cited as the
2 "Sale of Checks Law".

3 2. For the purposes of sections 361.700 to 361.727, the following terms mean:

4 (1) "Check", any instrument for the transmission or payment of money and shall also
5 include any electronic means of transmitting or paying money;

6 (2) "Director", the director of the division of finance;

7 (3) "Licensee", any person duly licensed by the director pursuant to sections 361.700
8 to 361.727;

9 (4) "Person", any individual, partnership, association, trust or corporation;

- 10 **(5) "Virtual currency", any type of digital representation of value that:**
11 **(a) Is used as a medium of exchange, unit of account, or store of value; and**
12 **(b) Is not recognized as legal tender by the United States government.**

361.705. 1. No person shall issue checks in this state for a consideration without first
2 obtaining a license from the director[; ~~provided,~~]. However, ~~that~~ sections 361.700 to
3 361.727 shall not apply to:

- 4 **(1) The receipt of money by an incorporated telegraph company at any office or**
5 **agency of such company for immediate transmission by telegraph [~~not to~~];**
6 **(2) Any bank, trust company, savings and loan association, or credit union[;];**
7 **(3) The buying, selling, issuing, or taking custody of payment instruments or**
8 **stored value in the form of virtual currency or receiving virtual currency for**
9 **transmission to a location within or outside the United States by any means; or**
10 **(4) Any agency of the United States government.**

11 2. Any person who violates any of the provisions of sections 361.700 to 361.727 or
12 attempts to sell or issue checks without having first obtained a license from the director shall
13 be deemed guilty of a class A misdemeanor.

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