2022 Regular Session

HOUSE BILL NO. 170

BY REPRESENTATIVE WRIGHT

CAMPAIGN FINANCE: Allows a candidate to receive campaign contributions in the form of crypto-currency

AN ACT

To amend and reenact R.S. 18:1491.5(C) and (G)(1) and to enact R.S. 18:1483(21), 1488, and 1491.5(F), relative to campaign contributions, to provide for the definition of crypto-currency; to provide for procedure relative to accepting crypto-currency as a campaign contribution; to provide for the use and reporting of crypto-currency contributions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 18:1491.5(C) and (G)(1) are hereby amended and reenacted to read as follows and R.S. 18:1483(21), 1488, and 1491.5(F) are hereby enacted to read as follows:

§1483. Definitions

As used in this Chapter, the following terms shall have the meanings herein given to each unless the context clearly indicates otherwise:

* * *

<u>(21) Crypto-currency means a digital or virtual currency that is not issued by any central authority, is designed to function as a medium of exchange, and uses encryption technology to regulate the generation of units of currency, to verify fund transfers, and to prevent counterfeiting.</u>

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§1488. Crypto-currency contributions

A. Candidates, officeholders, or political committees may accept crypto-currency contributions.

B. Crypto-currency shall not be used to make expenditures. A candidate, officeholder, or political committee must sell crypto-currency and deposit the proceeds from the sale into an account before making an expenditure from a crypto-currency contribution.

C. For the purposes of this Chapter, crypto-currency contributions are considered "in-kind" contributions.

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§1491.5. Maintenance of records; valuation of in-kind contributions and expenditures; valuation of crypto-currency contributions and expenditures

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C.(1) The valuation of in-kind contributions or expenditures shall be the estimated fair market value thereof at the time received and expended.

(2) The valuation of crypto-currency contributions shall be the fair market value thereof at the time the contribution is received.

* * *

F. A candidate, officeholder, or political committee who accepts crypto-currency contributions has the obligation to determine the legality of the crypto-currency contributions. For a crypto-currency contribution to be legal and eligible, a candidate, officeholder, or political committee must obtain and keep record of the following information before accepting the contribution:

(1) The contributor's full name.

(2) The contributor's physical address.

(3) The contributor's current employer.

(4) An affirmation that the contributor is in-fact the owner of the crypto-currency being donated.

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(5) An affirmation that the contributor is not a foreign national who has not been granted permanent residence in the United States.

G. A record shall also be kept of:

(1) Cash investments and income received therefrom and income received from changes in the value of crypto-currency.

* * *

Section 2. The Louisiana State Law Institute is directed to renumber the definitions in R.S. 18:1483 to arrange them in alphabetical order.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 170 Original 2022 Regular Session Wright

Abstract: Provides procedure for accepting crypto-currency as a campaign contribution.

Present law relative to campaign finance defines contribution as a gift, conveyance, payment, or deposit of money or anything of value, or the forgiveness of a loan or of a debt, made for the purpose of supporting, opposing, or otherwise influencing the nomination or election of a person to public office. Present law further provides that contributions may also be in-kind.

Proposed law provides that crypto-currency contributions may be accepted by candidates, officeholders, and political committees. Further provides for procedures and requirements for accepting and recording crypto-currency contributions. Also provides that crypto-currency shall not be used to make expenditures.

Proposed law defines crypto-currency as a digital or virtual currency that is not issued by any central authority, is designed to function as a medium of exchange, and uses encryption technology to regulate the generation of units of currency, to verify fund transfers, and to prevent counterfeiting.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 18:1491.5(C) and (G)(1); Adds RS. 18:1483(21), 1488, and 1491.5(F))

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