

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H3/30/23

A Bill

HOUSE BILL 1720

5 By: Representative Lundstrum
6 By: Senator J. Dismang
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAWS CONCERNING LEGAL TENDER; TO
10 PROHIBIT THE TRACKING OF AN INDIVIDUAL THROUGH THE
11 USE OF DIGITAL CURRENCY EXCEPT FOR LIMITED
12 CIRCUMSTANCES; TO CLARIFY THE USE OF DIGITAL
13 CURRENCY; AND FOR OTHER PURPOSES.
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Subtitle

16 TO AMEND THE LAWS CONCERNING LEGAL
17 TENDER; TO PROHIBIT THE TRACKING OF AN
18 INDIVIDUAL THROUGH THE USE OF DIGITAL
19 CURRENCY EXCEPT FOR LIMITED
20 CIRCUMSTANCES; AND TO CLARIFY THE USE OF
21 DIGITAL CURRENCY.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code Title 4, Chapter 56, Subchapter 1, is amended
28 to add an additional section to read as follows:

29 4-56-106. Digital currency – Legislative findings – Prohibited –
30 Definitions.

31 (a) The General Assembly finds that:

32 (1) Digital currency may be used for many common things,
33 including without limitation payment applications or through online
34 transactions;

35 (2) Individuals feel strongly about their right to privacy;

36 (3) An individual may be tracked through the use of digital



1 currency concerning purchases and locations; and

2 (4) Tracking an individual without their knowledge and consent
3 or a legal right to do so should be prohibited.

4 (b) As used in this section:

5 (1) "Central bank" means a financial institution given
6 privileged control over the production and distribution of money and credit
7 for the United States;

8 (2) "Central bank digital currency" means a digital form of
9 central bank money that is available to the general public;

10 (3) "Central bank money" means legal tender that is a liability
11 of the central bank; and

12 (4)(A) "Digital currency" means a digital form of money that is
13 available to the general public.

14 (B) "Digital currency" includes central bank digital
15 currency.

16 (c) A digital currency tracker shall not be used in this state to
17 track an individual's purchases or location through the use by an individual
18 of digital currency unless:

19 (1) A warrant has been issued in a criminal or civil court case
20 that expressly authorizes the tracking of the individual's purchases; or

21 (2) The individual knows and consents to the digital currency
22 tracker.

23 (d)(1) The Right to Financial Privacy Act of 1978, Pub. L. No. 95-630,
24 restricts the ability of a government authority to access or obtain the
25 financial records of a customer of a financial institution.

26 (2) The Right to Financial Privacy Act of 1978, Pub. L. No. 95-
27 630 provides exceptions for when a financial institution does not need
28 customer consent for the disclosure, including if a legitimate law
29 enforcement inquiry is submitted to the financial institution.

30 (3) To the extent the disclosure authority is restricted by a
31 state statute that limits the ability of a financial institution to share
32 information relating to a legitimate law enforcement inquiry, it could be
33 determined to conflict with the Right to Financial Privacy Act of 1978, Pub.
34 L. No. 95-630, and would be subject to challenge under federal law.

35 (4)(A) This chapter does not require a financial institution, or
36 an officer, employee, or agent of a financial institution, from compliance

1 with the Right to Financial Privacy Act of 1978, Pub. L. No. 95-630, Bank
2 Secrecy Act, Pub. L. No. 91-508, Federal Financial Institutions Examination
3 Council regulations, including without limitation currency transaction
4 reports and suspicious activity reports.

5 (B) A financial institution, or officer, employee, or
6 agent thereof, refusing a request for disclosure of disclosure of protected
7 nonpublic information under this subsection in good faith, shall not be
8 liable to any government authority.

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10 /s/Lundstrum
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