

State of Arkansas  
94th General Assembly  
Regular Session, 2023

As Engrossed: H3/30/23

# A Bill

HOUSE BILL 1720

By: Representative Lundstrum

By: Senator J. Dismang

## For An Act To Be Entitled

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

## Subtitle

TO AMEND THE LAWS CONCERNING LEGAL TENDER; TO PROHIBIT THE TRACKING OF AN INDIVIDUAL THROUGH THE USE OF DIGITAL CURRENCY EXCEPT FOR LIMITED CIRCUMSTANCES; AND TO CLARIFY THE USE OF DIGITAL CURRENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 4, Chapter 56, Subchapter 1, is amended to add an additional section to read as follows:

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

(a) The General Assembly finds that:

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

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

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



currency concerning purchases and locations; and

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

(b) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

/s/Lundstrum

**APPROVED: 4/11/23**