

Effective 7/1/2022

63A-3-112 Digital user asset collection.

- (1) As used in this section:
 - (a) "Agency" means a state government entity that receives payments for services or fees and is eligible to enter into a contract for payment services with the division.
 - (b) "Agency payment" means a payment that is due directly to an agency and that the agency collects either directly or through a third-party payment processor with whom the division has a contract.
 - (c) "Digital asset" means a representation of economic, proprietary, or access rights that is stored in a computer readable format.
 - (d) "Digital security" means a digital asset which constitutes a security, as that term is defined in Section 70A-8-101.
 - (e)
 - (i) "Digital user asset" means a digital asset that is used or bought primarily for consumptive, personal, or household purposes.
 - (ii) "Digital user asset" includes an open blockchain token.
 - (iii) "Digital user asset" does not include a digital security.
 - (f) "Participating agency" means an agency that meets the division's requirements to accept payments made through a service provider with whom the division has a contract.
 - (g) "Political subdivision" means the same as that term is defined in Section 63G-7-102.
 - (h) "Political subdivision payment" means a payment that is due directly to a political subdivision and that the political subdivision collects either directly or through a third-party payment processor with whom the political subdivision has a contract.
 - (i) "Service provider" means a person with demonstrated experience exchanging digital user assets for legal tender.
- (2) The division shall contract with a service provider to provide a service to process an agency payment for a participating agency by:
 - (a) taking the payment in the form of a digital user asset; and
 - (b) converting the digital user asset into legal tender to pay the agency payment.
- (3)
 - (a) When contracting with a service provider to provide the service described in Subsection (2), the division has discretion to choose a service provider that can only provide the exchange service for a limited class or type of digital user asset.
 - (b) The division may contract with more than one service provider to provide the service described in Subsection (2).
 - (c) Nothing in this section shall be interpreted to require the division to provide the service described in Subsection (2) for all types of digital user assets.
- (4)
 - (a) The person paying the agency payment bears responsibility for any costs the service provider charges for the service provider's service.
 - (b) The division may collect a fee established in accordance with the procedures and requirements of Section 63J-1-504 to cover the costs to the division of providing the service described in Subsection (2).
- (5) The division shall contract to provide the service described in Subsection (2) on or before January 1, 2023.
- (6) The division shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to:

- (a) establish standards that a person must meet to be eligible to enter into a contract as a service provider; and
 - (b) establish requirements an agency must meet to be a participating agency.
- (7) A political subdivision may enter into an agreement with the division for the division to contract with a service provider to, on behalf of the political subdivision:
- (a) provide a service to collect a political subdivision payment in the form of a digital user asset; and
 - (b) convert the digital user asset into legal tender to pay the political subdivision payment.
- (8) Nothing in this section shall be interpreted to impose liability upon the person paying the agency payment or a participating agency for a change in value of the digital user asset after the moment of payment to the service provider.

Enacted by Chapter 405, 2022 General Session