



ARIZONA STATE SENATE

Fifty-Seventh Legislature, First Regular Session

FACT SHEET FOR S.B. 1025

public monies; investment; virtual currency

Purpose

Allows the State Treasurer, the Arizona State Retirement System and the Public Safety Personnel Retirement System (public funds) to invest up to 10 percent of the public monies under its control in virtual currency holdings.

Background

The State Treasurer is responsible for the safekeeping of all securities for which the State Treasurer is the lawful custodian. The State Treasurer invests state monies with consideration for the probable safety of capital and the probable rate of return over extended periods of time. The State Board of Investment (BOI) reviews the investment activities of the State Treasurer ([Ariz. Const. art. 10 § 7](#)).

Statute allows the Arizona State Retirement System (ASRS) Board to allocate assets and use investment strategies to meet the investment goals and policies that ASRS prescribes. The ASRS Board may appoint multiple investment managers to invest and reinvest ASRS assets. An investment manager may, subject to ASRS-determined directives, hold, purchase, sell, assign, loan, borrow, transfer and dispose of any securities and investments in which any account monies are invested ([A.R.S. § 38-718](#)).

The Public Safety Personnel Retirement System (PSPRS) administers separate plans for Arizona's elected officials, known as the Elected Officials' Retirement Plan, and for corrections officers, known as the Corrections Officer Retirement Plan. Statute allows the PSPRS Board of Trustees (PSPRS Board) to invest and reinvest, alter and change the monies accumulated under PSPRS and other PSPRS Board-administered retirement plans and trusts at the PSPRS Board's discretion ([A.R.S. §§ 38-802; 38-848; and 38-882](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows a public fund to invest up to 10 percent of the public monies under its control in virtual currency holdings.
2. Allows public funds, if the U.S. Secretary of the Treasury creates a strategic bitcoin reserve for the purpose of storing government bitcoin holdings, to store its virtual currency holdings in a secure segregated account within the strategic bitcoin reserve.
3. Defines *public fund* as the State Treasurer or a retirement system.

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4. Defines *retirement system* as a retirement system established by or pursuant to statute.
5. Defines *virtual currency* as a digital representation of value that functions as a medium of exchange, a unit of account and a store of value other than a representation of the U.S. dollar or a foreign currency.
6. Designates this legislation as the *Arizona Strategic Bitcoin Reserve Act*.
7. Becomes effective on the general effective date.

Prepared by Senate Research

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