

Senate Engrossed

digital assets strategic reserve fund

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SENATE BILL 1649

AN ACT

AMENDING TITLE 41, CHAPTER 1, ARTICLE 4, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 41-181; AMENDING SECTION 44-308, ARIZONA REVISED STATUTES;  
RELATING TO THE STATE TREASURER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 1, article 4, Arizona Revised  
3 Statutes, is amended by adding section 41-181, to read:

4 41-181. Digital assets strategic reserve fund; deposits;  
5 definitions

6 A. THE DIGITAL ASSETS STRATEGIC RESERVE FUND IS ESTABLISHED  
7 CONSISTING OF DIGITAL ASSETS THAT ARE HELD BY, CONFISCATED BY OR  
8 SURRENDERED TO THIS STATE. THE STATE TREASURER SHALL DEPOSIT DIGITAL  
9 ASSETS THAT ARE HELD BY THIS STATE IN THE FUND THROUGH THE USE OF A SECURE  
10 CUSTODY SOLUTION BY A QUALIFIED CUSTODIAN OR IN A FORM OF AN  
11 EXCHANGE-TRADED PRODUCT THAT IS ISSUED BY AN INVESTMENT COMPANY REGISTERED  
12 IN THIS STATE. THE STATE TREASURER SHALL ADMINISTER THE FUND.

13 B. THE STATE TREASURER MAY INVEST THE TOTAL AMOUNT OF MONIES  
14 DEPOSITED IN THE FUND IN ANY FISCAL YEAR.

15 C. THE STATE TREASURER MAY LOAN DIGITAL ASSETS FROM THE FUND TO  
16 GENERATE ADDITIONAL RETURNS IF THE LOAN DOES NOT INCREASE ANY FINANCIAL  
17 RISKS TO THIS STATE.

18 D. FOR THE PURPOSES OF THIS SECTION:

19 1. "CRYPTOCURRENCY FAIR VALUE" MEANS A WEIGHTED EVALUATION OF A  
20 COIN'S ECONOMIC AND TECHNICAL VITALITY USING PERFORMANCE METRICS,  
21 INCLUDING:

- 22 (a) ADOPTION BY COIN OWNERS.
- 23 (b) ANNUAL TRANSACTIONS.
- 24 (c) ANNUAL TRANSACTION VALUE.
- 25 (d) DEVELOPMENT ECOSYSTEMS.

26 2. "CRYPTOGRAPHIC PRIVATE KEY" MEANS A SECRET KEY USED TO ENCRYPT  
27 AND DECRYPT DATA.

28 3. "DIGITAL ASSET" INCLUDES:

29 (a) VIRTUAL CURRENCY.  
30 (b) VIRTUAL COINS.  
31 (c) CRYPTOCURRENCY OR NATIVE ON-CHAIN ASSETS THAT MEET THE  
32 CRYPTOCURRENCY FAIR VALUE SCORE OF ONE PERCENT OF THE DIGITAL GOLD  
33 STANDARD BENCHMARK, INCLUDING ANY OF THE FOLLOWING:

- 34 (i) BITCOIN.
- 35 (ii) DIGIBYTE.
- 36 (iii) XRP.
- 37 (iv) STABLECOIN.
- 38 (v) A NONFUNGIBLE TOKEN.
- 39 (vi) DASH.
- 40 (vii) EGLD.
- 41 (viii) INTERNET COMPUTER.
- 42 (ix) NEAR.
- 43 (x) RAVENCOIN.
- 44 (xi) CHIA.
- 45 (xii) ECASH.

1 (xiii) MONERO.

2 (xiv) NANO.

3 (xv) ANY OTHER DIGITAL-ONLY ASSETS THAT CONFER ECONOMIC,  
4 PROPRIETARY OR ACCESS RIGHTS OR POWERS.

5 4. "EXCHANGE-TRADED PRODUCT" MEANS A FINANCIAL INSTRUMENT THAT IS  
6 TRADED ON A UNITED STATES-REGULATED EXCHANGE, THAT DERIVES VALUE FROM AN  
7 UNDERLYING POOL OF ASSETS, INCLUDING STOCKS, BONDS, COMMODITIES OR  
8 INDEXES, AND THAT IS APPROVED BY ANY OF THE FOLLOWING:

9 (a) THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

10 (b) THE COMMODITIES FUTURES TRADING COMMISSION.

11 (c) THE DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS.

12 5. "QUALIFIED CUSTODIAN" MEANS EITHER OF THE FOLLOWING:

13 (a) A FEDERAL OR STATE-CHARTERED BANK, TRUST COMPANY OR SPECIAL  
14 PURPOSE DEPOSITORY INSTITUTION OR A COMPANY REGULATED BY THIS STATE THAT  
15 HAS CUSTODY OF VIRTUAL CURRENCY FOR AN APPROVED EXCHANGE-TRADED PRODUCT.

16 (b) A TECHNOLOGY PROVIDER OF A SECURE CUSTODY SOLUTION.

17 6. "SECURE CUSTODY SOLUTION" MEANS A TECHNOLOGICAL PRODUCT OR A  
18 BLENDED PRODUCT OR SERVICE THAT MEETS ALL OF THE FOLLOWING:

19 (a) HAS A CRYPTOGRAPHIC PRIVATE KEY THAT SECURES A DIGITAL ASSET  
20 AND THAT IS EXCLUSIVELY KNOWN BY AND ACCESSIBLE BY A GOVERNMENTAL ENTITY.

21 (b) HAS A CRYPTOGRAPHIC PRIVATE KEY THAT SECURES A DIGITAL ASSET,  
22 THAT IS EXCLUSIVELY CONTAINED WITHIN AN ENCRYPTED ENVIRONMENT AND THAT IS  
23 ACCESSIBLE ONLY THROUGH AN END-TO-END ENCRYPTED CHANNEL.

24 (c) HAS A CRYPTOGRAPHIC PRIVATE KEY THAT SECURES A DIGITAL ASSET  
25 THAT IS NEVER CONTAINED BY, ACCESSIBLE BY OR CONTROLLABLE THROUGH A  
26 SMARTPHONE.

27 (d) HAS HARDWARE THAT CONTAINS A CRYPTOGRAPHIC PRIVATE KEY THAT  
28 SECURES A DIGITAL ASSET AND THAT IS MAINTAINED IN AT LEAST TWO  
29 GEOGRAPHICALLY DIVERSIFIED AND SPECIALLY DESIGNATED SECURE DATA CENTERS.

30 (e) ENFORCES A MULTIPARTY GOVERNANCE STRUCTURE FOR AUTHORIZING A  
31 TRANSACTION AND USER ACCESS CONTROLS.

32 (f) LOGS EACH USER-INITIATED ACTION.

33 (g) UNDERGOES REGULAR CODE AUDITS AND PENETRATION TESTING FROM AN  
34 AUDITING FIRM, WHICH ENSURES THAT A VULNERABILITY IDENTIFIED BY THE  
35 AUDITING FIRM IS PROMPTLY REMEDIED.

36 (h) IS PROVIDED BY AN ENTITY THAT HAS IMPLEMENTED A DISASTER  
37 RECOVERY PROTOCOL TO ENSURE CUSTOMERS HAVE ACCESS TO THE DIGITAL ASSETS IF  
38 THE ENTITY IS UNAVAILABLE.

39 7. "VIRTUAL COIN" HAS THE SAME MEANING PRESCRIBED IN SECTION  
40 44-1801.

1           Sec. 2. Section 44-308, Arizona Revised Statutes, is amended to  
2 read:

3           44-308. Payment or delivery of abandoned property;  
4                           definitions

5           A. On filing the report prescribed in section 44-307, the holder of  
6 property that is presumed abandoned shall pay, deliver or cause to be paid  
7 or delivered to the department the property described in the report as  
8 unclaimed. If the property is an automatically renewable deposit and a  
9 penalty or forfeiture in the payment of interest would result, the time  
10 for compliance is extended until a penalty or forfeiture would no longer  
11 result. The holder of tangible property held in a safe deposit box or any  
12 other safekeeping depository shall deliver the property to the department  
13 on filing the report prescribed in section 44-307.

14           B. If the property reported to the department is a security or  
15 security entitlement pursuant to title 47, chapter 8, the department may  
16 make an endorsement, instruction or entitlement order on behalf of the  
17 apparent owner to invoke the duty of the issuer or its transfer agent or  
18 the securities intermediary to transfer or dispose of the security or the  
19 security entitlement in accordance with title 47, chapter 8.

20           C. If the holder of property reported to the department is the  
21 issuer of a certificated security, the department has the right to obtain  
22 a replacement certificate pursuant to section 47-8405, but an indemnity  
23 bond is not required.

24           D. If the property reported to the department is a digital asset,  
25 the holder shall report and deliver the digital asset in its native form  
26 to the department or the department's designated qualified custodian  
27 within thirty days after reporting the property abandoned. On direction  
28 by the department, the qualified custodian may stake to receive rewards or  
29 receive airdrops. On the expiration of three years after the date the  
30 digital asset was transferred to the qualified custodian and if the  
31 property remains unclaimed, any airdrops or staking rewards shall be  
32 transferred to the bitcoin and digital ~~asset~~ ASSETS reserve fund  
33 established by section 41-180. If the holder only possesses a partial  
34 private key to the digital asset or is unable to move the digital asset,  
35 the holder shall maintain the digital asset until the additional keys  
36 required to transfer the digital asset become available. ~~For the purposes~~  
37 ~~of this subsection, "qualified custodian" means any of the following that~~  
38 ~~is licensed in this state to sell digital assets and offer custody~~  
39 ~~services to customers:~~

- 40           ~~1. A company.~~  
41           ~~2. A federal or state chartered bank.~~  
42           ~~3. A trust company.~~  
43           ~~4. A special purpose depository institution.~~

1 E. An issuer, the holder and any transfer agent or other person who  
2 acts pursuant to the instructions and on behalf of the issuer or holder in  
3 accordance with this section are not liable to the apparent owner and are  
4 indemnified against all claims of any person in accordance with section  
5 44-310.

6 F. Each month a holder of property reported pursuant to section  
7 44-307, subsection H shall remit the property with the report of property  
8 presumed abandoned or other form prescribed by the department.

9 G. FOR THE PURPOSES OF THIS SECTION:

10 1. "QUALIFIED CUSTODIAN" MEANS EITHER OF THE FOLLOWING:

11 (a) ANY OF THE FOLLOWING THAT IS LICENSED IN THIS STATE TO SELL  
12 DIGITAL ASSETS AND OFFER CUSTODY SERVICES TO CUSTOMERS:

13 (i) A COMPANY.

14 (ii) A FEDERAL OR STATE-CHARTERED BANK.

15 (iii) A TRUST COMPANY.

16 (iv) A SPECIAL PURPOSE DEPOSITORY INSTITUTION.

17 (b) A TECHNOLOGY PROVIDER OF A SECURE CUSTODY SOLUTION.

18 2. "SECURE CUSTODY SOLUTION" HAS THE SAME MEANING PRESCRIBED IN  
19 SECTION 41-181.

20 Sec. 3. Legislative findings

21 The legislature finds that:

22 1. The digital gold standard benchmark is a standard to provide  
23 security and stability in the marketplace. The digital gold standard  
24 benchmark was established when the market valued the first cryptocurrency  
25 at \$100,000 per coin.

26 2. The cryptocurrency fair value metrics form a universal benchmark  
27 and not a testimony to any single coin's supremacy. Like gold's role in  
28 19th century trade, the metrics set a standard for all digital gold  
29 blockchain-based coins with decentralized, scarce and transferable  
30 attributes.

31 3. The cryptocurrency fair value ensures competition is truthful,  
32 transparent and fair and evaluates each coin's performance metrics against  
33 the digital gold standard benchmark, revealing whether its fundamental  
34 measurements support its price or signal overvaluation.

35 4. The cryptocurrency fair value model, a cornerstone of informed  
36 cryptocurrency investing, calculates a coin's fair market capitalization  
37 by comparing its performance and market metrics to the digital gold  
38 standard, then drives a per-coin fair value by dividing market  
39 capitalization by its circulating supply.