

Senate Engrossed

public monies; investment; virtual currency

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

SENATE BILL 1042

AN ACT

AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 2.2; RELATING TO MANAGEMENT OF PUBLIC MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 35, chapter 2, Arizona Revised Statutes, is
3 amended by adding article 2.2, to read:
4 ARTICLE 2.2. ARIZONA STRATEGIC DIGITAL ASSET RESERVE
5 35-331. Public monies; investment; virtual currency;
6 reserves; definitions
7 A. IN ADDITION TO THE INVESTMENT AUTHORITY IN ARTICLES 2 AND 2.1 OF
8 THIS CHAPTER, A PUBLIC FUND MAY INVEST NOT MORE THAN TEN PERCENT OF THE
9 PUBLIC MONIES UNDER ITS CONTROL IN VIRTUAL CURRENCY HOLDINGS.
10 B. IF THE UNITED STATES SECRETARY OF THE TREASURY ESTABLISHES A
11 STRATEGIC BITCOIN RESERVE FOR THE STORAGE OF GOVERNMENT BITCOIN HOLDINGS,
12 A PUBLIC FUND MAY STORE THE VIRTUAL CURRENCY HOLDINGS OF THE PUBLIC FUND
13 IN A SECURE SEGREGATED ACCOUNT WITHIN THE STRATEGIC BITCOIN RESERVE.
14 C. FOR THE PURPOSES OF THIS SECTION:
15 1. "PUBLIC FUND" MEANS THE STATE TREASURER OR A RETIREMENT SYSTEM.
16 2. "RETIREMENT SYSTEM" MEANS A RETIREMENT PLAN OR SYSTEM THAT IS
17 ESTABLISHED BY OR PURSUANT TO TITLE 38.
18 3. "VIRTUAL CURRENCY" MEANS A DIGITAL REPRESENTATION OF VALUE THAT
19 FUNCTIONS AS A MEDIUM OF EXCHANGE, A UNIT OF ACCOUNT AND A STORE OF VALUE
20 AND INCLUDES STABLECOINS. VIRTUAL CURRENCY DOES NOT INCLUDE LEGAL TENDER
21 ISSUED BY THE UNITED STATES OR A FOREIGN GOVERNMENT.
22 4. "STABLECOIN" MEANS A PAYMENT STABLECOIN AS DEFINED IN THE
23 GUIDING AND ESTABLISHING NATIONAL INNOVATION FOR U.S. STABLECOINS (GENIUS)
24 ACT OF 2025 (P.L. 119-27) AND THAT IS ISSUED IN COMPLIANCE WITH ALL
25 APPLICABLE FEDERAL LAWS GOVERNING SUCH ISSUANCE.
26 Sec. 2. Short title
27 This act may be cited as the "Arizona Strategic Digital Asset
28 Reserve Act".