

SB277 L.001

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

SB18-277 be amended as follows:

1 Amend printed bill, page 2, before line 1, insert:

2 "SECTION 1. In Colorado Revised Statutes, 11-51-201, amend
3 the introductory portion and (17); and add (11.8) as follows:

4 11-51-201. Definitions. As used in this article 51, unless the
5 context otherwise requires:

6 (11.8) "OPEN BLOCKCHAIN TOKEN" MEANS A DIGITAL UNIT THAT
7 IS:

8 (a) CREATED:

9 (I) IN RESPONSE TO THE VERIFICATION OR COLLECTION OF A
10 SPECIFIED NUMBER OF TRANSACTIONS RELATING TO A DIGITAL LEDGER OR
11 DATABASE;

12 (II) BY DEPLOYING COMPUTER CODE TO A BLOCKCHAIN NETWORK
13 OR DISTRIBUTED DIGITAL LEDGER THAT ALLOWS FOR THE CREATION OF
14 DIGITAL TOKENS OR OTHER UNITS; OR

15 (III) USING ANY COMBINATION OF THE METHODS SPECIFIED IN
16 SUBSECTIONS (11.8)(a)(I) AND (11.8)(a)(II) OF THIS SECTION;

17 (b) RECORDED IN A DIGITAL LEDGER OR DATABASE THAT IS
18 CONSENSUS-BASED, DECENTRALIZED, AND MATHEMATICALLY VERIFIED IN
19 NATURE, ESPECIALLY RELATING TO THE SUPPLY OF DIGITAL UNITS AND
20 THEIR DISTRIBUTION; AND

21 (c) CAPABLE OF BEING TRADED OR TRANSFERRED BETWEEN
22 PERSONS WITHOUT AN INTERMEDIARY OR CUSTODIAN OF VALUE.

23 (17) (a) "Security" means any note; stock; treasury stock; bond;
24 debenture; evidence of indebtedness; certificate of interest or
25 participation in any profit-sharing agreement; collateral-trust certificate;
26 preorganization certificate of subscription; transferable share; investment
27 contract; viatical settlement investment; voting-trust certificate; certificate
28 of deposit for a security; certificate of interest or participation in an oil,
29 gas, or mining title or lease or in payments out of production under such
30 a title or lease; or, in general, any interest or instrument commonly known
31 as a "security" or any certificate of interest or participation in, temporary
32 or interim certificate for, guarantee of, or warrant or right to subscribe to
33 or purchase any of the foregoing ITEMS LISTED IN THIS SUBSECTION
34 (17)(a).

35 (b) "Security" does not include any insurance or endowment
36 policy or annuity contract under which an insurance company promises
37 to pay a sum of money either in a lump sum or periodically for life or
38 some other specified period.

39 (c) ~~For purposes of this article~~ AS USED IN SUBSECTION (17)(a) OF

1 THIS SECTION, an "investment contract":

2 (I) Need not involve more than one investor nor be limited to
3 those circumstances wherein there are multiple investors who are joint
4 participants in the same enterprise;

5 (II) INCLUDES AN INVESTMENT IN A COMMON ENTERPRISE WITH
6 THE EXPECTATION OF PROFITS TO BE DERIVED PRIMARILY FROM THE
7 EFFORTS OF A PERSON OTHER THAN THE INVESTOR. "COMMON
8 ENTERPRISE" MEANS AN ENTERPRISE IN WHICH THE FORTUNES OF THE
9 INVESTOR ARE INTERWOVEN WITH THOSE OF EITHER THE PERSON OFFERING
10 THE INVESTMENT, A THIRD PARTY, OR OTHER INVESTORS.

11 (III) DOES NOT INCLUDE AN OPEN BLOCKCHAIN TOKEN THAT IS
12 EXCHANGEABLE WITHIN SIXTY CALENDAR DAYS AFTER ITS SALE AND, AT
13 THE TIME OF SALE, IS EXCHANGEABLE FOR, OR PROVIDED FOR THE RECEIPT
14 OF, GOODS, SERVICES, OR CONTENT, INCLUDING RIGHTS OF ACCESS TO
15 GOODS, SERVICES, OR CONTENT."

16 Renumber succeeding sections accordingly.

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