
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2481 Session of
2024

INTRODUCED BY CABELL, KAUFER, FLICK, RYNCAVAGE, ECKER AND KUTZ,
JULY 2, 2024

REFERRED TO COMMITTEE ON COMMERCE, JULY 2, 2024

AN ACT

1 Providing for restriction on use and custody of digital assets
2 prohibited and for use of nodes authorized.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Digital
7 Assets Authorization Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Blockchain." Data that is shared across a network to create
13 a ledger of verified transactions or information among network
14 participants linked using cryptography to maintain the integrity
15 of the ledger and to execute other functions and distributed
16 among network participants in an automated fashion to
17 concurrently update network participants on the state of the
18 ledger and any other functions.

1 "Blockchain protocol." An executable software deployed to a
2 blockchain composed of source code that is publicly available
3 and accessible, including a smart contract or a network of smart
4 contracts.

5 "Digital asset." A virtual currency, cryptocurrency, native
6 electronic asset, including a stablecoin or nonfungible token,
7 or any other digital-only asset that confers economic,
8 proprietary or access rights or powers.

9 "Hardware wallet." A physical device that is not
10 continuously connected to the Internet and allows an individual
11 to secure and transfer a digital asset and under which the owner
12 of the digital asset retains independent control over the
13 digital asset.

14 "Node." A computational device that contains and updates a
15 copy of a blockchain.

16 "Self-hosted wallet." A digital interface used to secure and
17 transfer a digital asset and under which the owner of the
18 digital asset retains independent control over the digital
19 asset.

20 Section 3. Restriction on use and custody of digital assets
21 prohibited.

22 (a) Prohibition.--The Commonwealth or a municipality may not
23 prohibit, restrict or otherwise impair the ability of an
24 individual to:

25 (1) use a digital asset to purchase legal goods or
26 services; and

27 (2) maintain self-custody of a digital asset using a
28 self-hosted wallet or hardware wallet.

29 (b) Additional taxation prohibited.--The Commonwealth or a
30 municipality may not impose an additional tax, withholding,

1 assessment or charge on a digit asset that is based solely on
2 the use of the digital asset as a method of payment to purchase
3 legal goods or services. Nothing in this subsection shall be
4 construed to prohibit the Commonwealth or a municipality from
5 imposing a tax, withholding, assessment or charge on a digital
6 asset for a purchase if the tax, withholding, assessment or
7 charge would otherwise be imposed for the purchase through the
8 use of legal tender of the United States.

9 Section 4. Use of nodes authorized.

10 It shall be lawful in this Commonwealth to operate a node for
11 any of the following purposes:

12 (1) Connecting to a blockchain protocol or a protocol
13 built on top of a blockchain protocol.

14 (2) Transferring a digital asset on a blockchain
15 protocol.

16 (3) Participating in staking on a blockchain protocol.

17 Section 5. Effective date.

18 This act shall take effect in 60 days.