

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: H3/30/23

# A Bill

HOUSE BILL 1720

5 By: Representative Lundstrum  
6 By: Senator J. Dismang  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAWS CONCERNING LEGAL TENDER; TO  
10 PROHIBIT THE TRACKING OF AN INDIVIDUAL THROUGH THE  
11 USE OF DIGITAL CURRENCY EXCEPT FOR LIMITED  
12 CIRCUMSTANCES; TO CLARIFY THE USE OF DIGITAL  
13 CURRENCY; AND FOR OTHER PURPOSES.  
14  
15

## Subtitle

16 TO AMEND THE LAWS CONCERNING LEGAL  
17 TENDER; TO PROHIBIT THE TRACKING OF AN  
18 INDIVIDUAL THROUGH THE USE OF DIGITAL  
19 CURRENCY EXCEPT FOR LIMITED  
20 CIRCUMSTANCES; AND TO CLARIFY THE USE OF  
21 DIGITAL CURRENCY.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code Title 4, Chapter 56, Subchapter 1, is amended  
28 to add an additional section to read as follows:

29 4-56-106. Digital currency – Legislative findings – Prohibited –  
30 Definitions.

31 (a) The General Assembly finds that:

32 (1) Digital currency may be used for many common things,  
33 including without limitation payment applications or through online  
34 transactions;

35 (2) Individuals feel strongly about their right to privacy;

36 (3) An individual may be tracked through the use of digital



1 currency concerning purchases and locations; and

2 (4) Tracking an individual without their knowledge and consent  
3 or a legal right to do so should be prohibited.

4 (b) As used in this section:

5 (1) "Central bank" means a financial institution given  
6 privileged control over the production and distribution of money and credit  
7 for the United States;

8 (2) "Central bank digital currency" means a digital form of  
9 central bank money that is available to the general public;

10 (3) "Central bank money" means legal tender that is a liability  
11 of the central bank; and

12 (4)(A) "Digital currency" means a digital form of money that is  
13 available to the general public.

14 (B) "Digital currency" includes central bank digital  
15 currency.

16 (c) A digital currency tracker shall not be used in this state to  
17 track an individual's purchases or location through the use by an individual  
18 of digital currency unless:

19 (1) A warrant has been issued in a criminal or civil court case  
20 that expressly authorizes the tracking of the individual's purchases; or

21 (2) The individual knows and consents to the digital currency  
22 tracker.

23 (d)(1) The Right to Financial Privacy Act of 1978, Pub. L. No. 95-630,  
24 restricts the ability of a government authority to access or obtain the  
25 financial records of a customer of a financial institution.

26 (2) The Right to Financial Privacy Act of 1978, Pub. L. No. 95-  
27 630 provides exceptions for when a financial institution does not need  
28 customer consent for the disclosure, including if a legitimate law  
29 enforcement inquiry is submitted to the financial institution.

30 (3) To the extent the disclosure authority is restricted by a  
31 state statute that limits the ability of a financial institution to share  
32 information relating to a legitimate law enforcement inquiry, it could be  
33 determined to conflict with the Right to Financial Privacy Act of 1978, Pub.  
34 L. No. 95-630, and would be subject to challenge under federal law.

35 (4)(A) This chapter does not require a financial institution, or  
36 an officer, employee, or agent of a financial institution, from compliance

1 with the Right to Financial Privacy Act of 1978, Pub. L. No. 95-630, Bank  
2 Secrecy Act, Pub. L. No. 91-508, Federal Financial Institutions Examination  
3 Council regulations, including without limitation currency transaction  
4 reports and suspicious activity reports.

5 (B) A financial institution, or officer, employee, or  
6 agent thereof, refusing a request for disclosure of disclosure of protected  
7 nonpublic information under this subsection in good faith, shall not be  
8 liable to any government authority.

9  
10 /s/Lundstrum

11  
12  
13 **APPROVED: 4/11/23**  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36