



MEMO OF SUPPORT

[A2873-B \(Kelles\) / S5621-B \(May\)](#)

Adds a Question to State Financial Disclosure Statements about Crypto Holdings

May 2023

TITLE OF BILL

An act to amend the public officers law, in relation to reporting of digital assets on the annual statement of financial disclosure.

SUMMARY OF PROVISIONS

Section 1 adds a new paragraph 16-a to subdivision 3 of section 73-a of the Public Officers Law to require the reporting of type and market value of digital assets held by the reporting individual in excess of \$1,000. The legislation also defines "digital assets," "digital currency" and "distributed ledger or blockchain technology" and provides clarifications regarding when the information is disclosed or is not disclosed, including such instances as when trusts are used or corporations owned by the reporting individuals have digital assets.

Section 2 sets the effective date as the first of January next succeeding the date upon which the bill shall have become a law.

STATEMENT OF SUPPORT

We support this legislation because it will clarify to state officials what information on digital assets, including cryptocurrency holdings, must be disclosed on state financial disclosure statements. We expect the bill to result in much better disclosure of crypto holdings by state officials and reveal to the public their personal interests in cryptocurrency.

This bill is a timely and sensible response to the increased lobbying and political activity of the crypto industry per the [April 10, 2022 report by the New York Times](#). According to the Times, the crypto industry was spending \$140,000 a *month* in New York State lobbying for favorable legislation as part of a national push. In total, crypto firms are engaged in a [\\$1.5 million lobbying blitz in Albany](#).

New York's financial disclosure laws were drafted prior to the growth of the cryptocurrency market. While existing regulations require disclosure of crypto holdings worth over \$1,000, current disclosure forms do not provide specific instructions for reporting digital assets including crypto. This legislation will explicitly require the disclosure of crypto holdings, and provide additional guidance to filers about how to disclose such holdings.