**** BILL NO. ****

INTRODUCED BY ****

BY REQUEST OF THE ****

A BILL FOR AN ACT ENTITLED: “AN ACT GENERALLY REVISING CRYPTOCURRENCY LAWS; CLARIFYING THAT CRYPTOCURRENCY AND DIGITAL ASSETS ARE SUBJECT TO CRIMINAL FORFEITURE; REVISING UNCLAIMED PROPERTY LAWS TO INCLUDE CRYPTOCURRENCY AND DIGITAL ASSETS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 44-12-101 AND 44-12-213, MCA.”

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 44-12-101, MCA, is amended to read:

"**44-12-101. Definitions.** As used in this chapter, the following definitions apply:

(1) "Actual knowledge" means direct and clear awareness of information.

(2) "Controlled substance" means any substance designated as a dangerous drug pursuant to Title 50, chapter 32, parts 1 and 2.

(3) "Money" or "personal property" includes but is not limited to any cryptocurrency or other intangible electronic property."

NEW SECTION. **Section 2. Forfeiture of cryptocurrency or other intangible electronic property.** (1) Forfeited money or personal property that is cryptocurrency or other intangible electronic property must be deposited as provided in this section.

(2) Twenty five percent must be deposited into the

Section 3. Section 44-12-213, MCA, is amended to read:

"**44-12-213. Disposition of proceeds of sale.** (1) Whenever property is seized, forfeited, and sold under the provisions of this chapter, the net proceeds of the sale must be distributed as follows:

(a) to the holders of security interests who have presented proper proof of their claims, if any, up to the amount of their interests in the property;

(b) the remainder, if any, to the county treasurer of the county in which the property was seized, who shall establish and maintain a drug forfeiture account and deposit the remainder into the account, except as provided in subsections (1)(c) through (1)(e);

(c) if the property was seized within the corporate limits of a city or town by a law enforcement agency of that city or town, the remainder, if any, to the city or town treasurer, who shall establish and maintain a drug forfeiture account and deposit the remainder into the account, except as provided in subsections (1)(d) and (1)(e);

(d) if the property was seized by an employee of the state, the remainder, if any, is allocated as provided in subsection (3), except as provided in subsection (1)(e); and

(e) if the property was seized as a result of the efforts of more than one law enforcement agency, the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions represented by the agencies' expenses of investigation, as determined by the attorney general.

(2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture account must in each fiscal year be appropriated to and remain available until expended by the confiscating agency for drug laws enforcement and education concerning drugs.

(3) (a) Except as provided in subsection (4), forfeited money or personal property that consists of cryptocurrency or other intangible electronic property must be deposited as provided:

(i) 25% must be deposited in an account in the state special revenue fund to the credit of the department of justice;

(ii) 25% may be used for victim restitution, if available, or to security holders who have presented proper proof of their claims, as provided in this chapter;

(iii) 50% must be deposited into the cryptocurrency reserve account, as provided in this subsection (4)(d).

(b) The first $500,000 in forfeited money or personal property that consists of cryptocurrency or

other intangible electronic property must be deposited into the state special revenue fund to the credit of the department of justice.

~~(3)~~(4) (a) Each year, the first $125,000 of net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in an account in the state special revenue fund to the credit of the department of justice. The department may expend the money in the account only for purposes of enforcement of drug laws. An amount up to $125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for enforcement of drug laws. Any expenditure in excess of $125,000 each fiscal year requires approval through budget amendment, as provided in Title 17, chapter 7, part 4.

(b) Each year, net proceeds in excess of $125,000 that are received by the state under subsections (1)(d) and (1)(e) must be deposited equally between the state special revenue account and the general fund.

(c) The first $500,000 in forfeited money or personal property that consists of cryptocurrency or other intangible electronic property must be deposited into the state special revenue fund to the credit of the department of justice.

(c) There is a cryptocurrency reserve account in the state special revenue fund within the state special revenue fund established in 17-2-102 to the department of justice."

NEW SECTION. **Section 4. Appropriations.** There is appropriated $500,000 from the general fund to the attorney general's office to facilitate the purchase of software, equipment, or services that would allow the attorney general to acquire forfeited cryptocurrency or other intangible electronic property resulting from court order in a criminal action under Title 44, chapter 12.

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