



SYDNEY K. KAMLAGER

REPRESENTING SENATE DISTRICT 30



FACT SHEET: SB 1275 – [Accepting Virtual Currency Payments for Government Services]

IN BRIEF

Senate Bill 1275 accepts virtual currency from a customer as payment for services that will be delivered by the State of California.

BACKGROUND & PROBLEM

For most of us, we may take for granted how easily we're able to move money around, through the use of credit cards or banking transfers, or through companies like PayPal and Venmo.

The role of physical cash is declining across the globe, as institutions adopt new technologies. Virtual currency has arrived and individuals and companies are adopting it.

We can send virtual currency to our friends and family with a few taps on our phones, without ever leaving our couches.

[Virtual currency or cryptocurrency](#) is broadly speaking a digital representation of value that may function as a medium of exchange, a unit of account, and/or a store of value. It allows electronic transactions to be verified by a Blockchain technology.

The popularity of virtual currencies is on the rise. Since 2009, it has quickly become essential to modern capitalism. Virtual currency is a potentially revolutionary currency that is rapidly moving into the mainstream.

Survey shows that [16% of Americans have invested in cryptocurrency](#). And according to data from Harris Poll given exclusively to USA TODAY. [23% of Black Americans and 17% of Hispanic Americans own virtual assets](#).

Popularity and interest in virtual currency has surged, with institutional clients trading \$1.14 trillion worth of cryptocurrencies on the Coinbase Global Inc. exchange last year, compared with \$120 billion in 2020. As of April 2021, the Crypto Market Value Exceeds \$2 Trillion for First Time.

It is clear that [banking institutions](#) are already investing a lot of their resources in research regarding cryptocurrency integration in their operations.

Payment technology companies such as [Visa](#) and [Mastercard](#) provides digital payments around the world. Their technology connect consumers, merchants, financial institutions, businesses and government entities to electronic payments.

Visa has started a crypto consulting service and invested in crypto platforms as part of a push for digital currency adoption. [Apple Pay and Google Pay make it even easier to spend virtual currency](#).

In March 2022, Colorado Governor Jared Polis announced Colorado will become [the first state to accept cryptocurrency](#) for payment of taxes and other fees.

California is the leader in cryptocurrency innovation and adoption and use in the United States. At the moment, California has the [highest number of businesses accepting virtual currency](#) payments in the world.

[The United States is a little bit late to the game](#). There are many other countries have already been more active in trying to set up rules and regulations.

California state governmental agencies are slow to adopt virtual currency technology. California's public sector is a vital piece to the economic growth of virtual currency.

SOLUTION

SB 1275 will assist people who own virtual currency and are comfortable in transacting in this space.

The next logical step in the effort to make government more user-friendly by making it easier and more convenient to conduct business with California.



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SB 1275 acceptance of virtual currency makes sense for state agencies for the same reasons it makes sense for businesses. The ease of payment by the consumer, and reduced cost of payment processing by the service agency.

Digital payments, made with the swipe of a card or a few taps on a cellphone, are the norm. Consumers apparently like the convenience associated with virtual currency, but they also express concerns.

We must work with third-parties to ensure that any new financial technologies are subject to all of the laws and regulations that protect investors, consumers and markets, and that they compete on a level playing field with traditional financial institutions.

SUPPORT

- Author (Sponsor)
- Digital Currency Traders Alliance
- Santa Cruz County Board of Supervisors

FOR MORE INFORMATION

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