

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Peter J. Durant

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to a bitcoin strategic reserve.

PETITION OF:

NAME:

Peter J. Durant

DISTRICT/ADDRESS:

Worcester and Hampshire

SENATE No.

[Pin Slip]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act relative to a bitcoin strategic reserve.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 29 of the General Laws, as appearing in the 2022 Official Edition, is hereby
2 amended by inserting after section 71 the following section:-

3 Section 72. Definitions. (a) The following words and phrases when used in this act shall
4 have the meaning given to them in this section unless the context clearly indicates otherwise:

5 “Bitcoin”, The decentralized digital currency launched in 2009, which is based on Satoshi
6 Nakamoto's white paper, entitled "Bitcoin: A Peer-to-Peer Electronic Cash System." The term
7 includes the digital asset that is the basis of the Bitcoin exchange-traded product and regulated
8 by the United States Securities and Exchange Commission.

9 “Digital Asset”, A virtual currency, cryptocurrency or natively electronic asset, including
10 Bitcoin, a stablecoin, a nonfungible token or other digital-only asset that confers economic,
11 proprietary or access rights or powers.

12 “Exchange-traded product”, A financial instrument that is approved by the United States
13 Securities and Exchange Commission, the Commodities Future Trading Commission or the
14 Department of Banking and Securities, is traded on a United States regulated exchange and
15 derives its value from an underlying pool of assets, including stocks, bonds, commodities or
16 indexes.

17 “Private key”, A unique element of cryptographic data that is used for signing
18 transactions on a blockchain and is known to the owner of the unique element.

19 “Qualified custodian”, A Federal or State chartered bank, trust company or special
20 purpose depository institution or a company regulated by the Commonwealth that has custody of
21 Bitcoin or a digital asset for an approved exchange-traded product.

22 “Secure custody solution”, A technological product or a blended product and service that
23 meets all of the following criteria:

24 (1) Has a cryptographic private key that secures a digital asset, which is exclusively
25 known by and accessible by a government entity.

26 (2) Has a cryptographic private key that secures a digital asset, which is exclusively
27 contained within an encrypted environment and accessible only via an end-to-end encrypted
28 channel.

29 (3) Has a cryptographic private key that secures a digital asset, which is never contained
30 by, accessible by or controllable via a smartphone.

31 (4) Has hardware containing a cryptographic private key that secures a digital asset and is
32 maintained in at least two geographically diversified specially designated secure data centers.

33 (5) Enforces a multiparty governance structure for authorizing a transaction and user
34 access controls.

35 (6) Logs each user-initiated action.

36 (7) Undergoes regular code audits and penetration testing from an auditing firm, which
37 ensures that a vulnerability identified by the auditing firm is promptly remedied.

38 (8) Is provided by an entity that has implemented a disaster recovery protocol to ensure
39 customer access to the digital assets if the entity becomes unavailable.

40 (b) There shall be established and set up on the books of the commonwealth a separate
41 fund known as the Commonwealth Bitcoin Strategic Reserve to be administered by the treasurer
42 of the commonwealth.

43 (c) The State Treasurer may invest in Bitcoin or digital assets with money that is
44 unexpended, unencumbered or uncommitted and deposited in any of the following funds:

45 The Commonwealth Bitcoin Strategic Reserve as established under this section.

46 (d) The amount of money that the State Treasurer may invest in Bitcoin or digital assets
47 during the course of a fiscal year may not exceed 10% of the total amount of money being
48 deposited in the Commonwealth Stabilization Fund, as allocated by the legislature. The treasurer
49 may also deposit in the fund any bitcoin or other digital asset seized by the commonwealth.

50 (e) Bitcoin or digital assets acquired by the fund specified under subsection (b) shall be
51 held directly by the State Treasurer through the use of a secure custody solution on behalf of the
52 Commonwealth by a qualified custodian or in the form of an exchange-traded product issued by
53 an investment company registered in this Commonwealth.

54 (f) If the treasurer can loan Bitcoin or other digital assets without increasing the financial
55 risk to the commonwealth, the treasurer may loan Bitcoin or other digital assets to generate
56 additional returns for the commonwealth. The treasurer shall promulgate regulations for the
57 purpose of this subsection.