RESOLUTION NO.

WHEREAS, Bitcoin was invented in 2008 and began being used in 2009 in response to the financial crisis and the need for a global peer-to-peer electronic payment system; and

WHEREAS, Bitcoin is a decentralized digital currency, without a central bank or single administrator, that can be sent peer-to-peer without the need for intermediaries, like a traditional bank; and

WHEREAS, since Bitcoin's creation and success in the market, thousands of new "crypto currencies" have been created with a variety of applications, including Ethereum, Binance Coin, Tether, and Solana; and

WHEREAS, generally, a cryptocurrency is a digital currency, asset, or application that uses blockchain technology with cryptography to manage and verify transactions; and

WHEREAS, these technological innovations to traditional finance have produced digital assets that can provide users with advantages to traditional assets, including near-instantaneous medium of exchange across geographical and political boundaries, a storer of value, and enhanced security; and

WHEREAS, in 2020, large companies, including Tesla, Microstrategy, and Square added Bitcoin to their corporate balance sheet as an asset; and

WHEREAS, cities leading in innovation, such as Miami and New York, have researched using cryptocurrencies as a form of payment for taxes, fees, and employee salaries; and

WHEREAS, Austin is considered globally as a leading city in innovation and technology; and

WHEREAS, while there remains uncertainty around federal regulation and state law, the City of Austin, and residents, could potentially benefit from Austin being a global leader in the crypto space; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to conduct a fact-finding study regarding potential Bitcoin or other cryptocurrency policies that might be adopted by the City of Austin that might include:

- (1) the acceptance of Bitcoin or other cryptocurrencies as a payment for municipal taxes, fees, and penalties;
- (2) other applications of Bitcoin or other cryptocurrencies that could benefit the City of Austin, the delivery of public services, or Austin residents;
- (3) issues relevant to Bitcoin or other cryptocurrency protocols and applications including, but not limited to, financial stability, security issues, equity and inclusion issues, consumer benefits and risks, and environmental impacts; and
- (4) considerations related to any applicable state, local, or federal laws.

BE IT FURTHER RESOLVED:

The City Manager shall include in the fact-finding study an analysis of what would be required for the City to accept a donation of Bitcoin or other cryptocurrency and possible ways for the City to use those funds to address public service needs as well as an analysis of the financial stability and security of cryptocurrency. The City Manager shall produce the full report by June 16, 2022.

ADOPTED:	, 2022 ATTEST:	
		Myrna Rios
		City Clerk