

**RESOLUTION NO.**

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

**WHEREAS**, Bitcoin is a private decentralized digital token system, without a central bank or single administrator; and

**WHEREAS**, since Bitcoin's creation, 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 private digital asset, or application that uses blockchain technology with cryptography to manage and verify transactions; and

**WHEREAS**, blockchain technology is a distributed, append-only ledger;  
and

**WHEREAS**, these technological innovations to traditional finance have produced digital assets that can potentially 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 with problematic results; and

**WHEREAS**, cryptocurrencies present notable consumer risks (including volatility, scams, lost encryption keys, inability to reverse transactions, and privacy); and

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

30           **WHEREAS**, while there remains uncertainty around federal regulation and  
31 state law, the City of Austin, and residents, could potentially benefit from Austin  
32 being a global leader in the crypto digital finance space; and

33           **WHEREAS**, existing and potential public payments, currency, and banking  
34 technologies, infrastructure, and services that have similar potential benefits to  
35 users should also be considered by the City of Austin, with topics including but not  
36 limited to:

37           The creation of a digital wallet-based payments platform administered by the  
38 City; and

39           The creation of a local complementary currency issued and accepted by the  
40 City; NOW, THEREFORE,

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

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

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

54 **BE IT FURTHER RESOLVED:**



55 The City Manager shall include in the fact-finding study an analysis of what  
56 would be required for the City to accept a donation of Bitcoin or other  
57 cryptocurrency and possible ways for the City to use those funds to address public  
58 service needs as well as an analysis of the financial stability and security of  
59 cryptocurrency. The City Manager shall produce the full report by September 16,  
60 2022.  
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63 **ADOPTED:** \_\_\_\_\_, 2022 **ATTEST:** \_\_\_\_\_  
64 Myrna Rios  
65 City Clerk  
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