Short Title:	NC Digital Asset Freedom Act.	(Public)

Sponsors:	Representatives N. Jackson, Ross, and Biggs (Primary Sponsors).
	For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to:	Commerce and Economic Development, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 14, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW THE USE OF DIGITAL ASSETS IN ECONOMIC TRANSACTIONS
3 AND IN THE PAYMENT OF TAXES AND TO ESTABLISH PROTECTIONS FOR NEW
4 CUSTOMERS TRANSMITTING DIGITAL ASSETS.
5 The General Assembly of North Carolina enacts:
6 **SECTION 1.** Chapter 66 of the General Statutes is amended by adding a new Article
7 to read:
8 "Article 52.
9 "North Carolina Digital Asset Freedom Act.
10 "**§ 66-511. Short title.**
11 This Article may be cited as the North Carolina Digital Asset Freedom Act.
12 "**§ 66-512. Legislative findings.**
13 The General Assembly finds all of the following:
14 (1) The General Assembly finds that digital assets, when properly regulated and
15   aligned with principles of decentralization, security, and resilience, can be a
16   valid and stable medium for economic exchange.
17 (2) The principles set forth in this Article reflect North Carolina's commitment to
18   fostering innovation, commerce, and privacy.
19 (3) The General Assembly further finds that decentralized digital assets, which
20   are not governed by any central entity or foundation, align with the economic
21   principles of limited, noninflationary money and are capable of ensuring the
22   security and integrity of transactions.
23 "**§ 66-513. Scope.**
24 This Article applies only to a digital asset that satisfies all of the following requirements:
25 (1) Decentralization and fair issuance. – The digital asset shall have been
26   launched fairly, without pre-mining, insider allocations, or central authority
27   control, and shall not rely on a single entity, foundation, or small group of
28   insiders for its ongoing operation or governance.
29 (2) Lack of centralized governance. – The digital asset shall operate without
30   unilateral control over protocol changes, and any upgrades shall occur through
31   a decentralized, voluntary consensus mechanism that prevents governance
32   capture.
33 (3) Security and immutability. – The asset shall have a proven track record of
34   security spanning at least 10 years, without any successful protocol-level

1   hacks or rollbacks. Transactions shall be immutable once confirmed,
2   preventing centralized actors from altering the ledger history.
3   (4) Market longevity and free market endurance. – The digital asset shall have
4   operated continuously in an open, permissionless market for at least 10 years,
5   without requiring external intervention or state support to maintain viability,
6   and shall have survived regulatory scrutiny without being classified as a
7   security.
8   (5) Liquidity and market depth. – The digital asset shall have a minimum market
9   capitalization of seven hundred fifty billion dollars ($750,000,000,000) and a
10   daily trading volume exceeding ten billion dollars ($10,000,000,000), with
11   availability across multiple highly regulated U.S. exchanges to ensure
12   institutional-grade liquidity and price discovery.
13 (6) Regulatory clarity and legal standing. – The digital asset shall have been
14   deemed a commodity or an equivalent non-security by U.S. regulators, such
15   as the U.S. Securities and Exchange Commission, U.S. Commodity Futures
16   Trading Commission, or other relevant authorities. Assets subject to ongoing
17   litigation or regulatory uncertainty regarding their classification as a security
18   are disqualified.
19 (7) Energy-based consensus and cost of attack. – The digital asset shall be secured
20   by a proof-of-work mechanism, ensuring that attacks require significant
21   real-world economic resources. The cost of a fifty-one percent (51%) attack
22   shall be demonstrably high, ensuring network security is infeasible to
23   compromise.
24 (8) Censorship resistance. – Transactions shall be permissionless, meaning no
25   entity, government, or corporation can prevent users from sending or
26   receiving funds. The network shall be operational across multiple
27   jurisdictions, with globally distributed nodes and miners, preventing
28   geographical or political capture.
29 (9) Network resilience and uptime. – The digital asset's network shall have
30   maintained ninety-nine and ninety-eight hundredths percent (99.98%) uptime
31   or better, functioning independently of third-party financial institutions,
32   ensuring accessibility during market crises, bank failures, or geopolitical
33   instability.
34 (10) Predictable and non-inflationary supply. – The asset shall have a strictly
35   limited total supply and a fully transparent, programmatically enforced
36   issuance schedule, ensuring long-term scarcity and resistance to arbitrary
37   inflationary issuance.
38 "**§ 66-514. Recognition of digital assets as valid medium of exchange.**
39   Digital assets are recognized as a valid medium of exchange in North Carolina. A transaction
40 shall not be denied legal effect or enforceability solely because it uses a digital asset.
41 "**§ 66-515. Privacy and security protections.**
42   (a) Except as otherwise provided by law, a party to a transaction that uses a digital asset
43 shall not require another party to disclose personal financial information.
44   (b) The State of North Carolina shall ensure that privacy protections are in place for
45 persons using digital assets, in compliance with applicable privacy and data protection laws.
46 "**§ 66-516. Payment of taxes in digital assets.**
47   As provided in G.S. 105-241, a person may choose to use a digital asset to pay taxes to the
48 Department of Revenue."
49   **SECTION 2.** Article 16B of Chapter 53 of the General Statutes is amended by adding
50 a new section to read:
51 "**§ 53-208.70. New virtual currency customers; daily transaction limit; refund for fraud.**

(a) In this section, the following definitions apply:
    (1) Kiosk. – An electronic terminal acting as a mechanical agent of a licensee.
    (2) "New virtual currency customer" of a licensee. – A person whose first transaction with the licensee to transmit virtual currency occurred within 72 hours.
(b) A licensee shall impose a daily transaction limit equivalent to two thousand dollars ($2,000) on a new virtual currency customer for transmissions of virtual currency through a kiosk.
(c) The licensee shall refund the full amount of a transmission of virtual currency to a person if all of the following apply:
    (1) At the time of the transmission, the person was a new virtual currency customer.
    (2) The person was fraudulently induced to transmit the virtual currency.
    (3) The person reported the fraudulent nature of the transmission to the licensee within 14 days of the transmission."

SECTION 3. G.S. 105-241 reads as rewritten:

"**§ 105-241. Where and how taxes payable; tax period; liens.**

(a) Form of Payment. – Taxes are payable in either the national ~~currency.~~ currency or a digital asset that satisfies the requirements of G.S. 66-513. The Secretary shall prescribe where taxes are to be paid and whether taxes must be paid in cash, by check, by electronic funds transfer, or by another method.

(a1) Payment by Digital Asset; Reporting Digital Asset Transactions. – If a person chooses to pay taxes with a digital asset, the person shall report the U.S. dollar equivalent of the payment amount using the digital asset-to-dollar exchange rate at the time of payment. Additionally, if a person reports a transaction using a digital asset, the person shall include the U.S. dollar equivalent of the amount of the transaction using the digital asset-to-dollar exchange rate at the time the transaction occurred. The Department of Revenue shall maintain on its website digital asset-to-dollar exchange rates and shall update these rates daily. This subsection applies only to digital assets that satisfy the requirements of G.S. 66-513.

…."

SECTION 4. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application and, to that end, the provisions of this act shall be severable.

SECTION 5. G.S. 66-516, as enacted by Section 1 of this act, and Section 3 of this act become effective January 1, 2026. The remainder of this act is effective when it becomes law.