1   Amend 2 Cal. Code Regs., Section 18421.2 to read:

2   **§ 18421.2. Campaign Disclosure. Cryptocurrency Contributions.**

3   (a) A person may make, and a committee may solicit, a contribution of cryptocurrency ~~as~~

4   ~~an in-kind contribution~~ if the cryptocurrency is converted to dollars upon the making of the

5   contribution. Any cryptocurrency contribution must be made and received through a U.S. based

6   cryptocurrency payment processor registered with the U.S. Department of Treasury, Financial

7   Crimes Enforcement Network which utilizes know your customer (KYC) protocols to verify the

8   identity of the contributor for all contributions.

9   (b) A committee may only receive a contribution made in cryptocurrency pursuant to

10   subdivision (a), if the payment processor:

11   (1) Has KYC procedures that enable it to know the identity of each contributor.

12   (2) Collects the name, address, occupation, and employer of each contributor at the time

13   the contribution is made and transmits this to the committee within 24 hours of the time the

14   contribution is made.

15   (3) Immediately converts the contribution to U.S. Dollars at the prevailing rate of the

16   exchange at the time the payment processor obtains the possession of the contribution and

17   deposits the funds into the committee's campaign bank account within two business days of

18   receipt.

19   (c) In reporting cryptocurrency contributions:

20   (1) The contribution shall be reported as a monetary contribution.

21   ~~(1)~~(2) The amount of the contribution is the fair market value of the cryptocurrency at the

22   time the payment processor obtains possession of the contribution.

1   (2)(3) Any amounts charged or withheld by the payment processor must be reported by

2   the committee as expenditures at the time the fees are deducted or charged.

3   NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82015, 82025,

4   84211 and 84306, Government Code.