

**RESOLUTION NO. 20220324-055**

**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, 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

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

**WHEREAS**, Council considers it very important to review the research and recommendations from ratings agencies, financial regulators, financial oversight organizations, and professional associations on the use of cryptocurrency technology or blockchain by municipal government; 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 digital finance space; and

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

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

The creation of a local complementary currency issued and accepted by the City; **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; and
- (5) considerations related to the research and recommendations from ratings agencies, financial regulators, or financial oversight organizations on the use of cryptocurrency technology or blockchain by municipal government.

**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 September 16, 2022.

**ADOPTED:** March 24, 2022

**ATTEST:**

  
Myrna Rios  
City Clerk