



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1844

Introduced 1/29/2025, by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.1030 new

Creates the Strategic Bitcoin Reserve Act. Creates the Strategic Bitcoin Reserve Fund as a special fund in the State treasury for the purpose of holding bitcoin as a financial asset. Provides that the State Treasurer may accept gifts, grants, and donations of bitcoin from Illinois residents and governmental entities for deposit into the Fund. Provides that the State Treasurer shall hold all bitcoin deposited into the Fund for a duration of at least 5 years from the date that the bitcoin enters the State's custody. Allows the State Treasurer, after this period, to transfer, sell, appropriate, or convert to another cryptocurrency any bitcoin in the Fund. Adds provisions concerning the management and security of the Fund; reporting requirements; and voluntary donations of bitcoin by Illinois residents. Provides that the State Treasurer may adopt rules necessary to administer the Act. Effective immediately.

LRB104 08102 SPS 18148 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Strategic Bitcoin Reserve Act.

6 Section 5. Findings and purpose. The General Assembly
7 finds as declares:

8 (1) bitcoin is a valuable digital asset with strategic
9 potential for enhancing the State's fiscal resilience;

10 (2) bitcoin's decentralized nature and finite supply
11 provide unique qualities that can serve as a hedge against
12 inflation and economic volatility; and

13 (3) a strategic bitcoin reserve aligns with Illinois'
14 commitment to fostering innovation in digital assets and
15 providing Illinoisans with enhanced financial security.

16 Section 10. Definitions. As used in this Act:

17 "Bitcoin" means the decentralized digital asset created by
18 a peer-to-peer network that operates with no central authority
19 or banks.

20 "Cold storage" means a method of storing private keys
21 required to transact in bitcoin, with a nexus to a secure
22 physical location, protected from unauthorized access and

1 isolated from any network connections.

2 "Cryptocurrency" means a type of virtual currency that
3 utilizes cryptography to secure transactions that are
4 digitally recorded on a distributed ledger, such as a
5 blockchain.

6 "Custody" means the holding, safeguarding, and managing of
7 bitcoin assets by the State Treasurer.

8 "Donor" means an Illinois resident who gifts, grants,
9 donates, bequests, or devises bitcoin to be deposited into the
10 Strategic Bitcoin Reserve Fund.

11 "Fund" means the Strategic Bitcoin Reserve Fund.

12 "Governmental entity" means each officer, board,
13 commission, and agency created by the Constitution, whether in
14 the executive, legislative, or judicial branch of State
15 government; each officer, department, board, commission,
16 agency, institution, authority, university, and body politic
17 and corporate of the State; each administrative unit or
18 corporate outgrowth of State government that is created by or
19 pursuant to statute, including units of local government and
20 their officers, school districts, and boards of election
21 commissioners; and each administrative unit or corporate
22 outgrowth of the foregoing items and as may be created by
23 executive order of the Governor.

24 Section 15. Strategic Bitcoin Reserve Fund.

25 (a) The Strategic Bitcoin Reserve Fund is created as a

1 special fund in the State treasury for the purpose of holding
2 bitcoin as a financial asset.

3 (b) The State Treasurer shall manage the Fund and shall
4 implement secure storage, management, and reporting systems
5 for the assets in the Fund.

6 (c) The State Treasurer may accept gifts, grants, and
7 donations of bitcoin from Illinois residents and governmental
8 entities for deposit into the Fund, subject to the limitations
9 described in subsection (b) of Section 20.

10 (d) The State Treasurer shall hold all bitcoin deposited
11 into the Fund for a duration of at least 5 years from the date
12 that the bitcoin enters the State's custody. After this
13 period, the State Treasurer may transfer, sell, appropriate,
14 or convert to another cryptocurrency any bitcoin in the Fund.

15 Section 20. Management and security of the Fund.

16 (a) The State Treasurer shall develop policies and
17 protocols to ensure the secure storage and protection of
18 bitcoin held in the Fund, including the use of secure
19 custodial technologies, cold storage, and best practices in
20 digital asset management.

21 (b) The State Treasurer shall prohibit transactions
22 involving foreign countries, entities, or individuals outside
23 of Illinois, or entities or individuals known to engage in
24 illegal activities.

25 (c) The State Treasurer may contract with a qualified,

1 independent, United States-based third-party cryptocurrency
2 entity to assist in the creation, maintenance, operation, or
3 administration of the Fund's security.

4 (d) The State Treasurer shall conduct regular audits of
5 the Fund to ensure transparency and security.

6 Section 25. Reporting requirements.

7 (a) The State Treasurer shall prepare a biennial report
8 including:

9 (1) the total amount of bitcoin held in the Fund;

10 (2) the equivalent value of the Fund in U.S. dollars;

11 (3) the growth of the Fund since the previous report;

12 (4) any transactions or expenditures related to the
13 Fund since the previous report;

14 (5) any security threats experienced since the
15 previous report; and

16 (6) the amount of bitcoin that, after the mandatory
17 5-year holding period, is eligible to be converted or
18 transferred.

19 (b) No later than December 31, 2026, and every 2 years
20 thereafter, the State Treasurer shall submit the report to the
21 General Assembly and publish the report on the State
22 Treasurer's website.

23 Section 30. Voluntary donations of bitcoin by Illinois
24 residents.

1 (a) The State Treasurer may accept a gift, grant,
2 donation, bequest, or devise of bitcoin from Illinois
3 residents for deposit into the Strategic Bitcoin Reserve Fund.

4 (b) The State Treasurer shall develop a donation process
5 to facilitate bitcoin contributions from Illinoisans.

6 (c) All bitcoin donations shall be held in the Strategic
7 Bitcoin Reserve Fund and managed under the same protocols as
8 other assets in the State treasury.

9 (d) Upon request, the State Treasurer may issue a
10 certificate of acknowledgment to individuals or organizations
11 donating bitcoin for deposit into the Fund.

12 (e) The State Treasurer may also establish a recognition
13 program to publicly honor significant contributions to the
14 Fund made by Illinoisans.

15 (f) The State Treasurer shall have the discretion to
16 determine the eligibility of donors. If the State Treasurer
17 determines that a donor is ineligible, the State Treasurer
18 shall establish a process to return any bitcoin transferred to
19 the Fund to the ineligible donor.

20 Section 35. Cryptocurrency conversion.

21 (a) A State agency that accepts cryptocurrency shall first
22 convert the accepted cryptocurrency to an equivalent value of
23 bitcoin, if necessary, before transferring the bitcoin to the
24 State Treasurer to deposit into the Fund.

25 (b) The State Treasurer shall adopt rules to compensate

1 State agencies in United States dollars for the bitcoin that
2 the State agency transfers to the State Treasurer for deposit
3 into the Fund.

4 Section 40. Rulemaking. The State Treasurer may adopt
5 rules necessary to administer this Act, including, but not
6 limited to, security protocols, reporting standards, and
7 donation procedures.

8 Section 90. The State Finance Act is amended by adding
9 Section 5.1030 as follows:

10 (30 ILCS 105/5.1030 new)

11 Sec. 5.1030. The Strategic Bitcoin Reserve Fund.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.