

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1891

By: Lepak

AS INTRODUCED

An Act relating to state government; providing definitions; permitting the Oklahoma State Treasurer to invest public funds in certain precious metals and digital assets; limiting amount that may be invested; prescribing manner in which digital assets shall be held; clarifying stablecoins must be approved by certain competent authorities; permitting engaging in staking by using a third-party solution; permitting loaning of certain digital assets; prescribing manner in which precious metals shall be held; authorizing the investment of any state retirement fund in certain registered products; authorizing the Treasurer to create the Digital Asset Property Fund; providing purpose of fund; directing Treasurer to establish process through which fund takes control of certain digital assets; proscribing the fund taking control of digital assets obtained via civil asset forfeiture; directing the exchange of digital assets for certain digital assets or stablecoins; permitting fund to stake digital assets through third-party; directing for certain excess fund to be paid to State General Revenue Fund; directing the Treasurer to establish process for return of certain digital assets; permitting use of assets to provide funding for State Rainy Day Fund; directing Treasurer to select a qualified custodian; providing criteria for selection of qualified custodian; directing the Treasurer to conduct study; providing for codification; and providing an effective date.

1 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

2 SECTION 1. NEW LAW A new section of law to be codified  
3 in the Oklahoma Statutes as Section 5001 of Title 62, unless there  
4 is created a duplication in numbering, reads as follows:

5 As used in this act:

6 1. "Exchange-traded product (ETP)" means any financial  
7 instrument that is approved by the Securities and Exchange  
8 Commission, the Commodities Future Trading Commission, or the state  
9 Securities Commissioner that is traded on a United States regulated  
10 exchange and derives its value from an underlying pool of assets,  
11 such as stocks, bonds, commodities, or indexes;

12 2. "Precious metal" means the following, whether in coin,  
13 bullion, or other form:

- 14 a. silver,
- 15 b. gold, and
- 16 c. platinum;

17 3. "Private key" means a unique element of cryptographic data  
18 used for signing transactions on a blockchain and is known to the  
19 owner of the private element;

20 4. "Qualified custodian" means any federal or state-chartered  
21 bank, trust company, or special purpose depository institution or a  
22 company regulated by the state which custodies digital assets for  
23 approved exchange traded products;

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1       5. "Secure custody solution" means a technological product or  
2 blended product and service which has all of the following  
3 characteristics:

- 4           a. the cryptographic private keys that secure digital  
5           assets are exclusively known by and accessible by the  
6           government entity,
- 7           b. the cryptographic private keys that secure digital  
8           assets are exclusively contained within an encrypted  
9           environment and accessible only via end-to-end  
10          encrypted channels,
- 11          c. the cryptographic private keys that secure digital  
12          assets are never contained by, accessible by, or  
13          controllable via a smartphone,
- 14          d. any hardware that contains the cryptographic private  
15          keys that secure digital assets is maintained in at  
16          least two geographically diversified specially  
17          designated secure data centers,
- 18          e. the secure custody solution enforces a multiparty  
19          governance structure for authorizing transactions,  
20          enforces user access controls, and logs all user-  
21          initiated actions,
- 22          f. the provider of the secure custody solution has  
23          implemented a disaster recovery protocol that ensures  
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1 customer access to assets in the event the provider  
2 becomes unavailable, and

3 g. the secure custody solution undergoes regular code  
4 audits and penetration testing from audit firms, and  
5 any identified vulnerabilities should be promptly  
6 remedied;

7 6. "Stablecoin" means a digital asset that is issued by a  
8 corporation backed by a governmental currency or high-quality liquid  
9 assets and is redeemable, on demand, by the holder, at par for a  
10 fixed monetary value in equivalent United States dollars; and

11 7. "Staking" means the act of committing digital assets for a  
12 period of time to validate and secure a specific blockchain network.

13 SECTION 2. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 5002 of Title 62, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. The Oklahoma State Treasurer may invest a portion of public  
17 funds in precious metals, any digital asset with a market cap of  
18 over Five Hundred Billion Dollars (\$500,000,000,000.00) averaged  
19 over the previous calendar year, and stablecoins from the following  
20 funds:

- 21 1. The State General Revenue Fund;
- 22 2. The State Rainy Day Fund; and
- 23 3. The State Lottery Fund.

1 B. The amount of public funds that the Oklahoma State Treasurer  
2 may invest in precious metals, digital assets with a market cap of  
3 over Five Hundred Billion Dollars (\$500,000,000,000.00) averaged  
4 over the previous calendar year, and stablecoins may not, at the  
5 time the investment is made, exceed ten percent (10%) of the total  
6 amount of public funds in that account.

7 C. Any digital assets acquired by any of the funds listed in  
8 subsection A of Section 4 of this act shall be held:

9 1. Directly by the State Treasurer through the use of a secure  
10 custody solution;

11 2. On behalf of the state by a qualified custodian; or

12 3. In the form of an exchange-traded product issued by a  
13 registered investment company that invests exclusively in digital  
14 assets with a market cap of over Five Hundred Billion Dollars  
15 (\$500,000,000,000.00) averaged over the previous calendar year.

16 D. The State Treasurer may only hold stablecoins under this  
17 section that have received the appropriate regulatory approval from  
18 the following competent authorities:

19 1. The United States of America; or

20 2. Any state of the United States of America.

21 E. If a digital asset can be staked with the Office of the  
22 State Treasurer retaining legal ownership of the digital asset, the  
23 State Treasurer may engage in staking using a third-party solution.

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1 F. If a digital asset can be loaned without increasing the  
2 financial risk of the state, the State Treasurer shall be allowed to  
3 loan the digital asset to bring further return to the state through  
4 rules established by the State Treasurer.

5 G. Any precious metals acquired by any of the funds listed in  
6 subsection A of Section 4 of this act shall be held:

- 7 1. As an exchange traded product;
- 8 2. In physical form by a qualified custodian; or
- 9 3. Directly by the state in physical form or in conjunction  
10 with another state in a rule to be established by the State  
11 Treasurer.

12 SECTION 3. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 5003 of Title 62, unless there  
14 is created a duplication in numbering, reads as follows:

15 Any state retirement fund may invest in exchange traded products  
16 that have been duly registered by either the Securities and Exchange  
17 Commission, the Commodity Future Trading Commission, or the State  
18 Securities Office.

19 SECTION 4. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 5004 of Title 62, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. The Oklahoma State Treasurer is authorized to create the  
23 Digital Asset Property Fund, which shall be a subsection of the  
24 unclaimed property program.

1 B. The Digital Asset Property Fund shall exist for the purpose  
2 of holding digital assets that are obtained through criminal asset  
3 forfeiture and returning assets to residents of the state who have  
4 lost control of their digital assets through fraudulent or criminal  
5 activities.

6 C. The Oklahoma State Treasurer shall establish a process by  
7 rule through which the Digital Asset Property Fund takes control of  
8 digital assets from state law enforcement which has been obtained  
9 through criminal asset forfeiture.

10 D. The Oklahoma State Treasurer shall establish a process by  
11 rule through which the Digital Asset Property Fund takes control of  
12 digital assets from local law enforcement which has been obtained  
13 through criminal asset forfeiture.

14 E. The Digital Asset Property Fund shall not take control of  
15 any digital assets obtained via civil asset forfeiture.

16 F. The Digital Asset Property Fund shall to the best of their  
17 abilities endeavor to keep the digital assets in the original form  
18 when the rightful owner lost control of them.

19 G. If the Digital Asset Property Fund cannot keep the digital  
20 assets in their original form, it shall exchange all digital assets  
21 obtained in this fund for either:

22 1. Digital assets which have a market value of Five Hundred  
23 Billion Dollars (\$500,000,000,000.00) or more on average during the  
24 previous twelve-month period; or

1        2. Stablecoins which have received regulatory approval from any  
2 of the following:

3            a. the United States of America, or

4            b. any state of the United States of America.

5        H. The Digital Asset Property Fund shall be able to stake any  
6 digital assets held in this fund through a third-party service.

7        I. Excess funds earned from interest, staking, or otherwise  
8 authorized activities shall be paid to the State General Revenue  
9 Fund, where, if permissible by law, shall be appropriated for law  
10 enforcement activities related to digital assets.

11        J. The Oklahoma State Treasurer shall establish by rule a  
12 process for returning digital assets to residents of the state who  
13 have lost their digital assets, after the date of the passage of  
14 this law, through:

15            1. Fraud;

16            2. Theft; or

17            3. Other criminal acts as determined by the Oklahoma State  
18 Treasurer.

19        K. The Oklahoma State Treasurer at any time may use the assets  
20 in the Digital Asset Property Fund to provide funding for the State  
21 Rainy Day Fund.

22        L. The State Treasurer shall select a qualified custodian for  
23 the management and safekeeping of digital assets under the Digital  
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1 Asset Property Fund no later than a year after the enactment of this  
2 legislation.

3 M. A qualified custodian shall be selected based on the ability  
4 of the qualified custodian to provide the following services:

5 1. Secure storage solutions to ensure the safekeeping of  
6 digital assets, including robust cybersecurity measures to prevent  
7 unauthorized access;

8 2. Capability to manage private keys associated with digital  
9 assets and ensure the ability to transfer or transact with the  
10 assets when required;

11 3. Proven experience in handling digital assets, including  
12 cryptocurrencies, stablecoins, fungible tokens, and non-fungible  
13 tokens (NFTs);

14 4. Compliance with all applicable federal and state regulations  
15 related to digital asset custody;

16 5. Processes to reunite owners with their assets; and

17 6. Any other factors the State Treasurer deems relevant.

18 N. The qualified custodian selected through this process shall  
19 enter into a formal agreement with the Office of the State  
20 Treasurer. This agreement shall specify the custodian's duties,  
21 obligations, and compensation, as well as terms for termination and  
22 auditing rights by the state.

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1 SECTION 5. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 5005 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. The Oklahoma State Treasurer shall conduct a study analyzing  
5 the role of precious metals and digital assets in augmenting,  
6 stabilizing, and ensuring the economic security and prosperity of  
7 the state, the families and residents of the state, and businesses  
8 in the state.

9 B. The Oklahoma State Treasurer shall also study how  
10 stablecoins can be used to:

11 1. Allow the state to send and receive payments at a reduced  
12 cost compared to current methods;

13 2. Allow the state to have payments settle more quickly than  
14 current methods;

15 3. Allow the state to earn a return for holding stablecoins;

16 4. Any other topic related to stablecoins as determined by the  
17 Oklahoma State Treasurer; and

18 5. The Oklahoma State Treasurer shall post the results of the  
19 study before the next legislative session.

20 SECTION 6. This act shall become effective November 1, 2025.

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