

Texas Public POLICY FOUNDATION

BETTER TECH FOR TOMORROW



BILL ANALYSIS: SB 21

PURPOSE

Senate Bill 21 establishes the Texas Strategic Bitcoin Reserve (Reserve) as a special fund outside the state treasury, administered and managed by the comptroller. This allows the state to hold Bitcoin as a financial asset. The comptroller is tasked with maintaining and administering the Reserve, as well as investing, compliance, and reporting requirements. Public and private entities may give, grant, or donate cryptocurrency to the Reserve.

BACKGROUND

Bitcoin is a type of cryptocurrency. Cryptocurrency is a financial asset, built on a decentralized platform known as the blockchain. The decentralized nature of cryptocurrencies allows peer-to-peer transactions, allowing greater financial freedom by removing the middleman such as banks, credit unions, or mobile payment providers. Transactions are verified using complex cryptography, creating a block, which is then chained to the previous block to create an immutable ledger.

The creation of the Reserve is not a new concept for Texas policymakers. The 87th Texas Legislature passed HB 1576 ([2021](#)), establishing the Texas Work Group on Blockchain Matters. The Work Group's final report contemplated the creation of a Strategic Bitcoin Reserve ([Reyes et al., 2022](#)). As of February 2025, at least 16 states are considering creating a Strategic Bitcoin Reserve ([Chaturvedi, 2025](#)). Furthermore, despite promises on the campaign trail to create a Strategic Bitcoin Reserve, President Trump's January 2025 executive order was more tempered and will study the creation of a "national digital asset stockpile" ([Wile, 2025, para. 1](#)).

Proponents of a Bitcoin Reserve list the following as potential benefits ([Gannon & Payne, 2025](#)):

- Provides an innovative hedge against monetary instability;
- Encourages the integration of digital assets into the financial system;
- Contributes to economic stability by further diversifying investments; and
- Counters ongoing efforts to create a central bank digital currency.



Importantly, a Strategic Bitcoin Reserve is not the same thing as a central bank digital currency (CBDC). President Trump's executive order criticized CBDCs as a threat to "the stability of the financial system, individual privacy, and the sovereignty of the United States" ([The White House, 2025, Sec. 1\(a\)\(v\)](#)).

SECTION-BY-SECTION

Section 1

This Act may be cited as the Texas Strategic Bitcoin Reserve and Investment Act.

Section 2

Amends and adds a new Subchapter V to [Chapter 403, Government Code](#) related to the duties of the comptroller of public accounts.

Establishes definitions for "airdrop," "Bitcoin," "cold storage," "cryptocurrency," "fork," "qualified custodian," "reserve," and "virtual currency."

Presents legislative findings on the ability of cryptocurrency assets to enhance the state's financial resilience, on the economic benefits as a hedge against inflation and volatility, and on how cryptocurrency assets provide greater financial freedom and security to Texans.

Creates the Texas Strategic Bitcoin Reserve as a special fund outside the state treasury, administered by the comptroller. This enables the State of Texas to own Bitcoin as a financial asset. The Reserve includes funds transferred or deposited by legislative appropriation; revenue legislatively dedicated to the Reserve; other cryptocurrencies purchased using money in the Reserve; investment earnings and interest; and gifts, grants, or donations to the reserve. Establishes the duties of the comptroller in administering and managing the Reserve, investment guidelines, and the use of Reserve funds.

Places a \$500 billion average market capitalization requirement on any cryptocurrency received into the Reserve or any purchases made from Reserve funds.

Allows the comptroller to contract with third parties to administer, manage, serve as a custodian, or audit the Reserve.

Allows public and private entities to gift, grant, or donate cryptocurrency to the Reserve. Establishes guidelines on directed giving, transparency in donations, and the ability to reject or return donations made to the Reserve.



Allows the comptroller to temporarily liquidate and transfer Reserve assets (and expeditiously replenish the Reserve) pursuant to the cash flow policies established in [Section 403.092, Government Code](#).

Establishes the Texas Strategic Bitcoin Reserve advisory committee, duties, membership, and qualifications. The advisory committee is not governed by [Chapter 2110, Government Code](#), which establishes general rules for advisory committees, councils, task forces, or similar entities.

Requires the comptroller to publish a biennial report as enumerated.

The comptroller is given rulemaking authority.

Section 3

Subchapter A of [Chapter 2256, Government Code](#) establishes authorized investments for governmental entities. Section 2256.004(a) lists numerous investment categories to which Subchapter A does not apply. SB 21 amends [Section 2256.004\(a\)\(2\)](#) to exempt the broad category of state funds invested by the comptroller, and not just authorized investments as outlined in [Section 404.024, Government Code](#).

Section 4

Directs the comptroller to expeditiously adopt rules and appoint members to the advisory committee.

Section 5

The bill takes effect immediately if it receives a vote of two-thirds of all elected members in each chamber. If not, the act takes effect on September 1, 2025.



REFERENCES

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