AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 8957

OFFERED BY MR. STEIL OF WISCONSIN

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''American Reserve Modernization Act of 2026''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The global financial landscape is rapidly evolving, with digital assets playing an increasingly significant role in the world economy.

(2) Bitcoin has demonstrated resilience, widespread adoption, and served as a medium of exchange and a store of value for more than a decade.

(3) Just as gold reserves have historically served as a cornerstone of national financial security, Bitcoin represents a digital-age asset capable of enhancing the financial leadership and security of the United States in the 21st century global economy.

(4) Bitcoin, as a decentralized and finitely scarce digital asset, offers unique properties that could complement existing national reserves, potentially strengthening the position of the United States dollar in the global financial system.

(5) Diversification of the national assets of the United States to include Bitcoin could enhance financial resilience and position the United States at the forefront of global financial innovation.

SEC. 3. DEFINITIONS.

In this Act:

(1) AIRDROP.—The term ''airdrop'' means a distribution of digital assets to individuals in a broad, equitable, and non-discretionary manner.

(2) DIGITAL ASSET.—The term ''digital asset'' means any digital representation of value that is recorded on a cryptographically secured distributed ledger.

(3) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency of the United States.

(4) FORK.—The term ''fork'' means a change to the consensus mechanism of a distributed ledger that creates a separate ledger, resulting in a new digital asset that shares a common transaction his-

tory, but is no longer compatible with the previous digital asset, up to the point of divergence.

(5) QUALIFYING BITCOIN.—The term ''qualifying Bitcoin'' means all Bitcoin that is owned by the Federal Government and is not required by law to be used for other purposes, including Bitcoin that was finally forfeited as part of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by any executive department or agency and that is not needed to satisfy requirements under section 9705 of title 31, United States Code, and other relevant laws relating to disposition of forfeited assets.

(6) QUALIFYING DIGITAL ASSETS.—The term ''qualifying digital assets'' means all other digital assets, excluding qualifying Bitcoin, that are owned by the Federal Government and not required by law to be used for other purposes, including all digital assets that were finally forfeited as part of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by any executive department or agency and that is not needed to satisfy requirements under section 9705 of title 31, United States Code, and other relevant laws relating to disposition of forfeited assets.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(8) STATE.—The term ''State'' means each of the several States, the District of Colombia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, America Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

SEC. 4. ESTABLISHMENT OF STRATEGIC BITCOIN RESERVE AND DIGITAL ASSET STOCKPILE.

(a) ESTABLISHMENT.—

(1) STRATEGIC BITCOIN RESERVE.—The Secretary shall, not later than 180 days after the date of enactment of this Act, establish within the Department of the Treasury a Strategic Bitcoin Reserve, for the safekeeping of qualifying Bitcoin holdings.

(2) DIGITAL ASSET STOCKPILE.—The Secretary shall, not later than 180 days after the date of enactment of this Act, establish within the Department of the Treasury a Digital Asset Stockpile, for the custody, management, and disposition of qualifying digital assets owned by the Federal Government.

(b) OVERSIGHT.—

(1) IN GENERAL.—The Secretary shall be responsible for the ongoing monitoring and auditing of the holdings of the Strategic Bitcoin Reserve and the Digital Asset Stockpile.

(2) REPORT.—Not later than 360 days after the establishment of the Strategic Bitcoin Reserve and the Digital Asset Stockpile, and annually thereafter, the Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the status of the Strategic Bitcoin Reserve and the Digital Asset Stockpile, including the results of any monitoring and auditing conducted under this section.

(c) SECURITY MEASURES.—

(1) IN GENERAL.—The Secretary shall implement physical security and cybersecurity measures, using commercially reasonable and technologically appropriate standards, to protect the qualifying Bitcoin and qualifying digital assets in the Strategic Bitcoin Reserve and the Digital Asset Stockpile.

(2) CONSULTATION.—The Secretary shall consult and collaborate with the Secretary of Defense, the Secretary of Homeland Security, and industry experts to ensure the highest level of physical secu-

rity and cybersecurity for the Strategic Bitcoin Reserve and the Digital Asset Stockpile.

(d) MANAGEMENT OF ASSETS.—

(1) TRANSFER OF BITCOIN.—Qualifying Bitcoin owned by the Federal Government shall be transferred to the Strategic Bitcoin Reserve. Upon such transfers, title to such assets shall pass to the Department of the Treasury.

(2) TRANSFER OF DIGITAL ASSETS.—Qualifying digital assets owned by the Federal Government shall be transferred to the Digital Asset Stockpile. Upon such transfers, title to such assets shall pass to the United States Department of the Treasury.

(3) TRANSACTIONS.—The Secretary shall have authority and discretion to manage the Strategic Bitcoin Reserve and Digital Asset Stockpile, including through sale, exchange, conversion of qualifying Bitcoin and qualifying digital assets, provided that—

(A) Bitcoin held in the Strategic Bitcoin Reserve shall not be sold, except in accordance with subsection f(2);

(B) proceeds from such disposition shall be—

(i) used to pay for the costs of managing the Strategic Bitcoin Reserve or Digital Asset Stockpile; and

(ii) with respect to any proceeds which exceed such costs, deposited as a miscellaneous receipt in the Treasury to reduce the national debt; and

(C) all transactions shall be conducted in a transparent and accountable manner consistent with section 6.

(5) USE OF ENTITIES.—The Secretary may create or use special purpose vehicles or entities to manage digital assets in order to minimize the cost and maximize the value to taxpayers.

(e) RETENTION OF FORKS AND AIRDROPS.—

(1) IN GENERAL.—The Secretary shall ensure that, with respect to assets within the Strategic Bitcoin Reserve and the Digital Asset Stockpile, such assets of value resulting from forks or airdrops to blockchain addresses under the Government's control are accounted for and reasonably stored in the Strategic Bitcoin Reserve or Digital Asset Stockpile, as applicable.

(2) PROHIBITION ON IMMEDIATE SALE.—No digital asset stored in the Strategic Bitcoin Reserve

or Digital Asset Stockpile that is the result of a fork or airdrop may be sold or otherwise disposed of during the 1-year period beginning on the date of the fork, unless explicitly authorized by law.

(3) EVALUATION AND DISPOSITION AFTER THE HOLDING PERIOD.—

(A) MARKET CAPITALIZATION ASSESSMENT.—Upon the expiration of the 1-year holding period described in paragraph (2), the Secretary shall conduct an assessment to determine which digital asset resulting from a fork has the highest publicly traded market capitalization.

(B) RETENTION OF DOMINANT ASSET.—The Secretary shall—

(i) retain the digital asset with the highest publicly traded market capitalization that resulted from a fork; and

(ii) issue a rule that determines the criteria and process for the retention of dominant digital assets following a fork, which may consider—

(I) the utility of the digital asset;

(II) national security and economic concerns; and

(III) the stability of digital assets markets.

(C) DISPOSITION OF NON-DOMINANT ASSETS.—The Secretary may sell, auction, or otherwise dispose of any digital assets resulting from the a fork other than the asset identified pursuant to subparagraph (B).

(D) EXCEPTION FOR NOVEL UTILITY.—If the Secretary, in consultation with the Secretary of Commerce and industry experts, determines that a non-dominant forked asset possesses novel technological utility or strategic value to the United States distinct from the dominant asset, the Secretary may retain such asset, subject to rulemaking under subparagraph (B) and notwithstanding subparagraph (C).

(f) REGULATORY AUTHORITY.—

(1) IN GENERAL.—To ensure the effective implementation and administration of this Act, the Secretary is authorized to issue regulations, promulgate rules, and adopt internal procedures consistent with the purposes and provisions of this Act. Such regulations may include rules governing custody protocols, interagency coordination, digital asset ac-

counting standards, and public reporting requirements.

(2) SALES OF QUALIFYING BITCOIN.—

(A) IN GENERAL.—If the Secretary makes a determination that it is in the interest of the United States to sell qualifying Bitcoin held in the Strategic Bitcoin Reserve, the Secretary may only sell such qualifying Bitcoin if—

(i) the Secretary issues a rule that establishes a process through which the United States shall sell such qualifying Bitcoin; and

(ii) the Secretary sells the qualifying Bitcoin in accordance with such rule.

(B) PRIORITIES.—The Secretary shall prioritize transparency and the minimization of market disruption when establishing any process through which the United States will sell qualifying Bitcoin held in the Strategic Bitcoin Reserve.

(C) REQUIRED DISCLOSURES.—Any process established by rule under subparagraph (A) for the sale by the United States of qualifying Bitcoin held in the Strategic Bitcoin Reserve, as required under this Act, shall include a public disclosure of—

(i) the methodology for determining the sale schedule for such qualifying Bitcoin;

(ii) process for determining the maximum quantity of qualifying Bitcoin to be sold; and

(iii) any additional information the Secretary determines appropriate to publicly disclose.

(3) SALES OF QUALIFYING DIGITAL ASSETS.—

(A) IN GENERAL.—If the Secretary makes a determination that it is in the interest of the United States to sell qualifying digital assets held in the Digital Asset Stockpile, the Secretary may only sell such qualifying digital assets if—

(i) the Secretary issues a rule that establishes a process through which the United States shall sell such qualifying digital assets; and

(ii) the Secretary sells the qualifying digital assets in accordance with such rule.

(B) PRIORITIES.—The Secretary shall prioritize transparency and the minimization of market disruption when establishing any process through which the United States will sell qualifying digital assets held in the Digital Asset Stockpile.

(C) REQUIRED DISCLOSURES.—Any process established by rule under subparagraph (A) for the sale by the United States of qualifying digital assets held in the Digital Asset Stockpile, as required under this Act, shall include a public disclosure of—

(i) the methodology for determining the sale schedule for such qualifying digital assets;

(ii) process for determining the maximum quantity of qualifying digital assets to be sold; and

(iii) any additional information the Secretary determines appropriate to publicly disclose.

SEC. 5. RESERVE ASSET HOLDING REQUIREMENTS.

(a) MINIMUM HOLDING PERIOD.—To ensure the long-term stability and security of the Strategic Bitcoin Reserve, the Secretary shall hold all Bitcoin acquired by the United States and deposited in the Strategic Bitcoin Reserve, regardless of acquisition method, for not less than 20 years from the date of enactment of this Act.

(b) RETENTION OF BITCOIN.—During the minimum holding period under subsection (a), no Bitcoin held in the Strategic Bitcoin Reserve may be sold, swapped, auctioned, encumbered, or otherwise disposed of for any purpose.

(c) RECOMMENDATIONS AFTER HOLDING PERIOD.—

(1) IN GENERAL.—On the date that is 2 years before the end of the minimum holding period under subsection (a), the Secretary shall submit to Congress recommendations on whether to continue to voluntarily hold or to allow for the gradual and controlled release of a portion of the holdings of the Strategic Bitcoin Reserve.

(2) RECOMMENDATION.—Upon the expiration of the minimum holding period, the Secretary may recommend selling up to 10 percent of the assets of the Strategic Bitcoin Reserve during any 2-year period.

(3) CONSIDERATIONS.—When making the recommendation under paragraph (2), the Secretary shall consider—

(A) the potential impact on the national deficit of selling qualifying Bitcoin held in the Reserve;

(B) the long-term viability of Bitcoin as a strategic investment of the United States;

(C) the potential effects on the Bitcoin market of selling qualifying Bitcoin held in the Reserve;

(D) how the level of diversification of the assets held by the United States could be impacted by selling qualifying Bitcoin held in the Reserve; and

(E) how the financial position and resilience of the United States could be impacted by selling qualifying Bitcoin held in the Reserve.

(d) STUDY TO SELL BEFORE MINIMUM HOLDING PERIOD.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to the Congress a study which describes—

(1) appropriate conditions in which to sell qualifying Bitcoin before the minimum holding period described in subsection (a); and

(2) any legislative recommendations to provide for any exceptions to the minimum holding period,

including for national security and financial stability purposes.

SEC. 6. PROOF OF RESERVE SYSTEM.

To ensure transparency and accountability in the management of the Strategic Bitcoin Reserve, the Secretary shall establish a Proof of Reserve system of public cryptographic attestation under which—

(1) the Secretary shall—

(A) publish an annual report on the Strategic Bitcoin Reserve that include detailed information on the total holdings, transactions, and control of private keys relating to the Strategic Bitcoin Reserve; and

(B) select an independent, third-party auditor with expertise in cryptographic attestations to verify the accuracy and integrity of the annual report; and

(2) the Comptroller General of the United States, to ensure compliance with this Act, shall conduct regular oversight of—

(A) the Strategic Bitcoin Reserve;

(B) the annual report under paragraph (1)(A); and

(C) the audits under paragraph (1)(B).

SEC. 7. CONSOLIDATION OF GOVERNMENT BITCOIN AND DIGITAL ASSET HOLDINGS.

(a) TEMPORARY CUSTODY AND INVENTORY.—

(1) ACCOUNTING OF ASSETS.—Not later than 60 days after the date of enactment of this Act, and annually thereafter, the head of each Federal agency shall provide to the Secretary a complete accounting of all Bitcoin and any other digital assets held, seized, or otherwise under the control of such agency.

(2) TRANSFER TO TREASURY.—Until the Strategic Bitcoin Reserve and the Digital Asset Stockpile have been established under this Act, each Federal agency shall, to the maximum extent practicable and consistent with applicable law, transfer custody of its qualifying Bitcoin holdings and qualifying digital assets to the Department of the Treasury for centralized custody and administration. Any holdings that cannot be transferred to the Department of the Treasury before such establishment shall remain in the custody of the applicable Federal agency in accordance with applicable law, including any physical or cybersecurity protections, subject to the prohibition in subsection (b).

(b) PROHIBITION ON SALE OR ENCUMBRANCE.—No qualifying Bitcoin or qualifying digital assets under the control of any Federal agency may be sold, swapped, auctioned, encumbered, or otherwise disposed of during the interim period preceding the establishment of the Strategic Bitcoin Reserve or Digital Asset Stockpile, except—

(1) for purposes of national security;

(2) as otherwise required by law; or

(3) as required by a court of competent jurisdiction or to return assets to identifiable victims of crime.

(c) TRANSFER TO STRATEGIC BITCOIN RESERVE OR DIGITAL ASSET STOCKPILE.—

(1) IN GENERAL.—Upon establishment of the Strategic Bitcoin Reserve and Digital Asset Stockpile, qualifying Bitcoin and qualifying digital asset holdings of any Federal agency shall be transferred to the Strategic Bitcoin Reserve or Digital Asset Stockpile, as applicable, within 30 days.

(2) SECURE TRANSFERS.—Transfers under this subsection shall be executed under secure custody procedures established by the Secretary to ensure the integrity, traceability, and full auditability of qualifying Bitcoin and other qualifying digital assets transferred.

(d) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to impede or conflict with section 9705 of title 31, United States Code, section 524(c) of title 28, United States Code, section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), or section 511 of such Act (24 U.S.C. 881).

SEC. 8. VOLUNTARY STATE PARTICIPATION AND SEGREGATED ACCOUNTS.

(a) VOLUNTARY STATE PARTICIPATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall establish a program that allows a State to voluntarily participate in storing the Bitcoin holdings of the State in the Strategic Bitcoin Reserve in a segregated account.

(b) PARTICIPATION REQUIREMENTS.—A State choosing to participate in the program established under subsection (a) shall enter into a written agreement specifying such terms and conditions of participation as the Secretary may deem appropriate, which shall include—

(1) the responsibilities of both the State and the Strategic Bitcoin Reserve in managing and securing the Bitcoin holdings of the State in the segregated account of the State;

(2) a requirement that the State, in coordination with the Secretary, develop and implement appropriate security protocols and access controls to

ensure the integrity and confidentiality of the segregated account of the State;

(3) retention of title, and all attendant legal interests, by the State in the Bitcoin held in the segregated account, including title to any digital asset that is the result of a fork or airdrop relating to such Bitcoin; and

(4) payment for the services provided in the program.

(c) WITHDRAW OR TRANSFER.—Each State participating in the program established under subsection (a) shall have the right to withdraw the contents of the segregated account of the State within the Strategic Bitcoin Reserve, subject to the terms and conditions in the written agreement under subsection (b) and any applicable Federal regulations.

(d) LIMITATION OF LIABILITY.—Any agreement entered into under subsection (b) shall include an explicit acknowledgment by the State that digital asset custody carries inherent risks that cannot be eliminated completely, and that the State assumes all risks associated with the voluntary placement of its digital assets in the Strategic Bitcoin Reserve.

SEC. 9. STUDY ON BUDGET NEUTRAL STRATEGIES FOR BITCOIN ACQUISITION.

(a) STUDY.—The Secretary of the Treasury and the Secretary of Commerce shall jointly study, within 180 days after the date of enactment of this Act, the risks, costs, and potential benefits of the acquisition of additional bitcoin, to be held within the Strategic Bitcoin Reserve, and whether it is possible for such acquisition to be performed in a budget neutral manner that does not, in practice, increase the national debt nominally or economically.

(b) OBJECTIVES.—The study under subsection (a) shall—

(1) evaluate whether there are lawful, budget-neutral mechanisms, by which the United States may acquire Bitcoin;

(2) identify and evaluate the full cost of acquisitions, nominally and economically, of bitcoins through mechanisms including—

(A) sale, swap or transact of non-Bitcoin digital assets held in the Digital Asset Stockpile;

(B) receipt of Bitcoin through civil or criminal forfeiture proceedings, penalties, or settlements;

(C) cooperative programs with States, private entities, or international partners for Bitcoin acquisition or custody; and

(3) identify whether any such acquisitions could be budget-neutral, meaning they do not require new appropriations or impose net costs on United States taxpayers or the Federal Government and its agencies or increase the national debt nominally or economically.

(c) REPORTING AND TRANSPARENCY.—The Secretary of the Treasury and the Secretary of Commerce shall submit to the Committees on Banking, Housing, and Urban Affairs and Finance of the Senate and the Committees on Financial Services and Ways and Means of the House of Representatives a report on the study required under subsection (a) not later than 180 days after the date of the enactment of this Act, which shall include a detailed accounting of projected Bitcoin acquisitions' full costs and benefits to—

(1) the United States taxpayers;

(2) the Federal Government; and

(3) the national debt nominally and economically.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize any borrowing or other financing, including the pledging, encumbering, or use of any digital asset or other asset of the United States as collateral, new taxation, or deficit spending for the purpose of acquiring Bitcoin.

SEC. 10. PROTECTION OF PRIVATE PROPERTY RIGHTS AND DUE PROCESS.

(a) RULES OF CONSTRUCTION.—Nothing in this Act shall be construed to—

(1) authorize the Federal Government to seize, confiscate, or otherwise impair any property right in the lawfully acquired Bitcoin or other digital asset holdings of any person;

(2) infringe upon the rights of individuals, businesses, or organizations to purchase, hold, transfer, or dispose of Bitcoin or other digital asset in accordance with the law; or

(3) otherwise affect the functions of the director of the Office of the Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that this Act affirms and protects the rights of persons to maintain full lawful control over the Bitcoin and other digital assets of those individuals, recognizing that the ability to maintain self-custody of private keys is fundamental to the principles of financial sovereignty, privacy, and personal liberty in the digital age.

Amend the title so as to read: ‘‘A bill to establish a Strategic Bitcoin Reserve and other programs to ensure the transparent management of Bitcoin and other digital asset holdings of the Federal Government, and for other purposes.’’.

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