



March 23, 2026

S1423 Stablecoin

- Won't earn interest on stable coin balances while waiting to make payments to vendors
 - Unless you move your stablecoin balance to a decentralized network (lending platforms, liquidity pools, etc.), which adds to potential risk of loss
 - No provision for staking in the legislation
- No insurance on stablecoin balances
- Vendors won't necessarily be receiving the full amount they are due based on what the price of the stablecoin is when they receive it (if trading under \$1.00)
 - While stablecoins are intended to be pegged to \$1.00, they generally trade slightly under due to normal market supply and demand dynamics on cryptocurrency exchanges
- Stablecoin transactions are more beneficial to cross border/international transactions or for investors in countries facing very high inflation (neither of which would apply to Idaho)
 - Typically less fees incurred than sending internationally via a bank
- Risk losing funds if a recipient can't accept stablecoin on the network you're trying to send it through (Base, Ethereum, etc.)
 - No recourse for that
 - Would require a lot of administrative work
- Purpose of the bill states: "to improve payment efficiency, reduce transaction costs, enhance transparency and auditability....."
 - Improves payment efficiency in that payments can be made a lot quicker (matter of seconds or minutes)
 - Reduction of transaction costs is debatable
 - A lot of that depends on the size of the transactions being made (per transaction cost vs. agreed upon fees with bank)
 - Enhanced transparency is also debatable
 - Accessing real-time information at the bank would be similar to seeing real-time transactions on stablecoin networks

Lost Interest Earnings

- If we were to keep a balance of \$5 million in a stablecoin account, based on current rates we could earn in the market on that money overnight, we would forgo ~ \$186k per year.
- The average overnight rate we would have invested that \$5 million in over the past year was 4.195% which would equate to forgone interest of ~ \$213k.

\$ Amount Stablecoin
\$5,000,000.00
Repo Rate
3.67%
Number of Days
365
Interest Earned
\$186,048.61