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Miami Pushes Crypto With Proposal to Pay Workers in Bitcoin.

- **Mayor also wants to allow residents to pay taxes with crypto**
- **Miami is exploring investing funds in leading cryptocurrency**

Miami Mayor Francis Suarez proposed paying municipal workers and collecting taxes in Bitcoin, expanding a campaign to promote cryptocurrencies.

The mayor wants to allow the City of Miami's workers to choose to receive all or a portion of their pay in Bitcoin, according to a resolution passed by the city's governing commission. In addition, the mayor proposed allowing people to pay all or part of property taxes or city fees in crypto.

Although the commission approved the resolution 4-1, it significantly dialed back its original wording. It only agreed to study the practicality of such steps, rather than taking action, as the original proposal had suggested.

Suarez has been courting Silicon Valley investors and technology companies for months, and adopting Bitcoin is a critical part of that plan. "I think we're on the cusp of seeing a major titanic shift on this," Suarez told the city commission. "It's an industry that's boisterous, vociferous and growing, and this would send the right signal."

Suarez also wants the city to analyze the feasibility to invest some government funds in Bitcoin, the resolution said. It's not clear how much of that is actually possible: Florida statutes have strict limitations on how local governments can invest surplus funds, generally restricting investments to low-volatility instruments such as those issued by the U.S. government. In the past year alone, Bitcoin has shown it can double in price — or lose half its value — in a month's time.

Suarez doesn't seem fazed by volatility: Miami, the mayor's original resolution said, "is committed to promoting the emergence of Bitcoin as it continues to gain mainstream acceptance."

Some city commissioners cautioned against embracing Bitcoin without a close study of the risks. "Let's analyze this before we jump in," said Manolo Reyes, a commissioner. "Maybe you're ahead of your time, maybe you're right, but let's analyze it."

New Ideas

Suarez, who is up for re-election this year, has portrayed himself as someone who is willing to consider and promote new ideas. Late in 2020, he started engaging with Silicon Valley technology investors on Twitter, and his efforts to lure them to Miami have become a viral sensation.

While Suarez's Twitter campaign may have given him new influence, the mayor of the City of Miami doesn't control the budget or municipal workforce or get a vote on the commission. He asked voters to give him more managerial power, but the initiative failed.

The proposal comes in a week when Tesla Inc. disclosed it had made a \$1.5 billion investment in Bitcoin, a big vote of confidence from the world's leading electric-car maker. Mike Novogratz, the billionaire founder of cryptocurrency investment firm Galaxy Digital, said in an interview Monday that "it's the messaging that matters," even if the investments themselves are relatively small.

In the resolution, the mayor described Bitcoin as an increasingly popular asset for people, corporations and major investors. The plan is part of a campaign to make Miami a city that "embraces new technologies," the resolution said.

Ken Russell, vice-chairman of the city commission, said he's "certainly not opposed" to the idea of integrating Bitcoin into the city's business, but it's important to ensure "we all know what we're getting into."

"What needs to be done is diligence, and not just from the legal perspective," he said in an interview Wednesday. "It's not just a currency, it's a concept."

Bloomberg

By Jonathan Levin and Michael Smith

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