

2 State of Arkansas

3 94th General Assembly

4 Second Extraordinary Session, 2023

A Bill

LHR/LHR

SENATE BILL

5
6 By: Senator B. King

7 Filed with: Senate Committee on State Agencies and Governmental Affairs

8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT TO AMEND THE ARKANSAS DATA CENTERS ACT OF
11 2023; TO REQUIRE A DIGITAL ASSET MINING BUSINESS TO
12 PAY A FEE TO THE STATE SECURITIES DEPARTMENT FOR
13 EXTRAORDINARY ELECTRICITY USAGE; TO IMPLEMENT
14 OVERSIGHT AND MONITORING PROCEDURES FOR A DIGITAL
15 ASSET MINING BUSINESS; AND FOR OTHER PURPOSES.

16 17 18 Subtitle

19 TO REQUIRE A DIGITAL ASSET MINING
20 BUSINESS TO PAY A FEE TO THE STATE
21 SECURITIES DEPARTMENT FOR EXTRAORDINARY
22 ELECTRICITY USAGE; AND TO IMPLEMENT
23 OVERSIGHT AND MONITORING PROCEDURES FOR A
24 DIGITAL ASSET MINING BUSINESS.

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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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29 SECTION 1. Arkansas Code Title 14, Chapter 1, Subchapter 6, is amended
30 to add an additional section to read as follows:

31 14-1-606. Digital asset mining business – Extraordinary electricity
32 usage fee – Oversight and monitoring procedures.

33 (a) A digital asset mining business shall pay a fee to the State
34 Securities Department on an annual basis for each instance of extraordinary
35 electricity usage generated during the previous calendar year according to
36 the following scale:

1 (1) Twenty-five thousand dollars (\$25,000) for each one megawatt
2 (1 MW) to two and forty-nine hundredths megawatts (2.49 MW) of energy in any
3 given calendar month of the previous calendar year;

4 (2) Fifty thousand dollars (\$50,000) for each two and five-
5 tenths megawatts (2.5 MW) to four and ninety-nine hundredths megawatts (4.99
6 MW) of energy in any given calendar month of the previous calendar year;

7 (3) Seventy-five thousand dollars (\$75,000) for each five
8 megawatts (5 MW) to ten megawatts (10 MW) of energy in any given calendar
9 month of the previous calendar year; and

10 (4) One hundred thousand dollars (\$100,000) for each use of more
11 than ten megawatts (10 MW) of energy in any given calendar month of the
12 previous calendar year.

13 (b) The proceeds from the extraordinary electricity usage fee under
14 subsection (a) of this section shall be:

15 (1) Credited to the Securities Department Fund; and

16 (2) Dedicated to oversight and monitoring for potential issues
17 of fraud or other illegal activities perpetrated by a digital asset mining
18 business.

19 (c) The department may promulgate rules to implement this section.
20

21 SECTION 2. Arkansas Code § 19-6-301, concerning the enumeration of
22 special revenues, is amended to add an additional subdivision to read as
23 follows:

24 (275) Extraordinary electricity usage fees collected under § 14-
25 1-606(a).

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27 SECTION 3. Arkansas Code § 19-6-475 is amended to read as follows:
28 19-6-475. Securities Department Fund.

29 The Securities Department Fund shall consist of the first two million
30 five hundred thousand dollars (\$2,500,000) of those special revenues as
31 specified in § 19-6-301(173), (245), ~~and (259)~~, and (275) and such other
32 funds as may be provided by law or regulatory action, there to be used for
33 maintenance, operation, support, and improvement of the State Securities
34 Department in carrying out its functions, powers, and duties as set out by
35 law and by rules not inconsistent with law, as set out in § 23-42-211.
36

1 SECTION 4. Arkansas Code § 23-42-211(a)(3), concerning the fees
2 designated for deposit into the Securities Department Fund, is amended to
3 read as follows:

4 (3) The Securities Department Fund shall consist of those
5 portions of fees designated for deposit into the Securities Department Fund
6 under § 14-1-606, § 23-42-304(a)(2), (a)(4), and (a)(5), § 23-42-404(b)(1),
7 and § 23-42-509(a).

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10 Referred by Senator B. King

11 Prepared by: LHR/LHR
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