

INTERIM STUDY PROPOSAL 2023-100

REQUESTING THE SENATE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS TO STUDY THE DEVELOPMENT OF A STRATEGY TO REGULATE DIGITAL ASSET MINING BUSINESSES, ALSO KNOWN AS CRYPTO MINING, WITHIN THE STATE OF ARKANSAS.

WHEREAS, the increased circulation of digital currency and adoption of digital transformation have spurred digital asset mining, also known as crypto mining, into a rapidly growing business sector within the United States; and

WHEREAS, the business of digital asset mining in the United States has a projected valuation of five billion dollars (\$5,000,000,000) by the year 2032; and

WHEREAS, the State of Arkansas has seen an influx of digital asset mining operations in the state in recent years; and

WHEREAS, digital asset mining companies create direct and indirect jobs, pay taxes, and provide general economic value to local communities and the state; and

WHEREAS, there are many legitimate digital asset mining businesses operating within the state; however, the growth of this business sector has also been capitalized upon by foreign aliens and entities who pose potential threats to the welfare and safety of Arkansans; and

WHEREAS, guidance for future industry growth is needed in Arkansas to protect Arkansans from fraudulent or harmful business practices and certain potentially harmful aliens and foreign entities; and

WHEREAS, the state should provide for a robust regulatory scheme that allows for the appropriate management of digital asset mining, keeping the health and welfare of Arkansans at the forefront,

1 NOW THEREFORE,
2 BE IT PROPOSED BY THE SENATE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS OF
3 THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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5 THAT the Senate Committee on City, County, and Local Affairs study the
6 development of a strategy to regulate digital asset mining (also known as
7 "crypto mining") businesses within the State of Arkansas, including without
8 limitation:

9 (1) A statewide noise ordinance to address potential health and safety
10 harms to citizens of the state that can be caused by elevated decibel levels;

11 (2) A prohibition on the purchase or acquisition of title to real
12 property by certain aliens or foreign entities such as a prohibited foreign
13 party as defined in § 18-11-802, including without limitation leasehold
14 interests in real property; and

15 (3) The creation of a state regulatory body or modification of an
16 existing board or commission to oversee the regulation and licensure of
17 digital asset mining businesses.

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19 BE IT FURTHER RESOLVED THAT the Senate Committee on City, County, and Local
20 Affairs request the participation of the House Committee on City, County, and
21 Local Affairs in the study.

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24 Respectfully submitted,

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28 Senator Joshua Bryant

29 District 32

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36 Prepared by: LHR/LHR