

1 INTERIM STUDY PROPOSAL 2023-100

2
3 REQUESTING THE SENATE COMMITTEE ON CITY, COUNTY, AND LOCAL
4 AFFAIRS TO STUDY THE DEVELOPMENT OF A STRATEGY TO REGULATE
5 DIGITAL ASSET MINING BUSINESSES, ALSO KNOWN AS CRYPTO MINING,
6 WITHIN THE STATE OF ARKANSAS.

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

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13 WHEREAS, the business of digital asset mining in the United States has
14 a projected valuation of five billion dollars (\$5,000,000,000) by the year
15 2032; and

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

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

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

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

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33 WHEREAS, the state should provide for a robust regulatory scheme that
34 allows for the appropriate management of digital asset mining, keeping the
35 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