



ARKANSAS ENERGY & ENVIRONMENT

Sarah Huckabee Sanders
GOVERNOR

Shane E. Khoury
SECRETARY

August 1, 2024

VIA ELECTRONIC MAIL

Administrative Rules Subcommittee
Arkansas Legislative Council
Senator Kim Hammer, Co-Chair
Representative Brian Evans, Co-Chair
c/o Rebecca Miller-Rice
Bureau of Legislative Research
Email: miller-ricer@blr.arkansas.gov

RE: Ark. Code Ann. § 25-15-216(b)(4) Summary

Senator Hammer and Representative Evans:

As required by Ark. Code Ann. § 25-15-216(a), the Department of Energy and Environment (E&E) acknowledges that Acts 173 and 174 of the 2024 Fiscal Session require the Oil and Gas Commission to promulgate new rules regarding digital asset centers and digital asset mining. Sections 14-1-602 through 605 were substantially amended by the above referenced acts to include additional requirements for businesses engaged in digital asset mining. Section 14-1-606 was added by Act 173 to preclude foreign ownership of digital asset mining business operating in Arkansas. Act 174 creates Sections 23-119-101 through 105, which require permitting of a digital asset mining business. Section 4 of Act 174 requires that Oil and Gas Commission promulgate rules regarding the permitting process to regulate the digital asset mining businesses in this state.

As required by Ark. Code Ann. § 25-15-216(b)(4), and at your request, we are providing a summary regarding the progress of the rulemaking required by Acts 173 and 174. E&E attorneys and staff are in process of developing a draft of the necessary rules to implement the required changes. As of this date, E&E attorneys are reviewing the statutory requirements and are circulating a draft of the rules internally. E&E attorneys are also drafting the necessary rule approval documents for the approval of the Governor and to initiate rulemaking.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Kesia Morrison'.

Kesia Morrison
Chief Counsel
Department of Energy and Environment

ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT

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