

MINUTES

**JOINT COMMITTEE ON ADVANCED COMMUNICATIONS AND INFORMATION
TECHNOLOGY
JOINT COMMITTEE ON ENERGY
Meeting Jointly**

Tuesday, August 1, 2023

10:00 AM

Room A, MAC

Little Rock, Arkansas

Committee members present: Senators Ben Gilmore, Co-Chair; Mark Johnson, Co-Chair; Matt McKee, Vice-Chair; Ronald Caldwell, Linda Chesterfield, Alan Clark, Jane English, and Ricky Hill; Representatives Rick Beck, Co-Chair; Stephen Meeks, Co-Chair; Justin Gonzales, Vice-Chair; Jeremy Wooldridge, Vice-Chair; Fred Allen, Stan Berry, Karilyn Brown, John P. Carr, Denise Jones Ennett, Vivian Flowers, Jack Fortner, Denise Garner, RJ Hawk, Steve Hollowell, Jack Ladyman, Ron McNair, Aaron Pilkington, and Trey Steimel

Alternate members present: Representatives Howard M. Beaty Jr., Harlan Breaux, Julie Mayberry, Mindy McAlindon, Rick McClure, Mark McElroy, Brit McKenzie, Scott Richardson, and Ryan Rose

Other members present: Senators Tyler Dees and Bryan King; Representatives Mary Bentley, Mark Berry, Matt Brown, Frances Cavanaugh, Matt Duffield, Brian Evans, Kenneth Ferguson, Lanny Fite, Mike Holcomb, Tippi McCullough, Richard McGrew, David Ray, Joy Springer, Dwight Tosh, DeAnn Vaught, and Carton Wing

Representative Meeks called the meeting to order.

Consideration to Approve the May 9, 2023, Meeting Minutes [Exhibit B]

Representative Carr made a motion to approve the minutes, seconded by Representative McAlindon, and the motion carried.

Discussion of Act 851 of 2023: An Act to Create the Arkansas Data Centers Act of 2023: To clarify the regulation of the digital asset of mining business; and for other purposes [Exhibit D]

Representative Rick McClure discussed Act 851 of 2023, which created the Arkansas Data Centers.

Presentation by Arkansas Blockchain Council

Tom Harford, Founder and Board Member, Arkansas Blockchain Council, provided an overview of the guidelines for crypto mining facilities.

Discussion of Crypto Mining and Energy Consumption

John Bethel, Director of Public Affairs, Entergy Arkansas; Michael Marchand, Executive Director, Arkansas Economic Development Commission; and Katie Anderson, Commissioner, Public Service Commission; provided an overview regarding energy consumption of crypto mining.

Foreign Nations Accessibility to Cryptocurrency Assets

Hugh McDonald, Secretary, Department of Commerce; Jim Hudson, Chief of Staff, Department of Commerce; and Clint O'Neal, Executive Director, Arkansas Economic Development Commission; discussed foreign nations accessibility to cryptocurrency assets.

Discussion of Tax Implications of Cryptocurrency [Exhibit H]

Paul Gehring, Assistant Commissioner of Revenue Policy & Legal, Department of Finance and Administration, and Tommy Burns, Assistant Administrator of Corporate Income Tax Section, Department of Finance and Administration, gave a presentation regarding the tax implications of cryptocurrency.

Review of Potential Environmental Concerns with Crypto Mining Sites

Caleb Osborne, Chief Administrator of the Environment, Division of Environmental Quality, and Bailey Taylor, Associate Environment Administrator, Department of Energy & Environment, gave a review and answered questions about the potential environmental concerns with crypto mining sites.

With no further business, the meeting adjourned at 2:50 p.m.

DRAFT