

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1833

By: Dahm

AS INTRODUCED

An Act relating to blockchain technology; creating the Blockchain Basics Act; providing short title; defining terms; allowing individuals to engage in certain digital asset mining business under certain circumstances; permitting industrial digital asset mining under certain circumstances; prohibiting political subdivisions from implementing certain requirements to limit digital asset mining business; providing for exceptions; prohibiting the state from implementing certain requirements to limit digital asset mining business; permitting certain collection of income tax for transactions; providing for adjustments of tax assessment; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9150 of Title 74, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Blockchain Basics Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9151 of Title 74, unless there is created a duplication in numbering, reads as follows:

1 As used in this act:

2 1. "Blockchain" means a distributed digital record of
3 controllable electronic record transactions;

4 2. "Blockchain protocol" means any executable software deployed
5 to a blockchain composed of source code that is publicly available
6 and accessible, including a smart contract or any network of smart
7 contracts;

8 3. "Controllable electronic record" means an electronic record
9 that can be subjected to control. The term has the same meaning as
10 "digital asset" and does not include electronic chattel paper,
11 electronic documents, investment property, and transferable records;

12 4. "Digital asset mining" means using electricity to power a
13 computer for the purpose of securing a blockchain network and
14 generating a controllable electronic record;

15 5. "Digital asset mining business" means a group of computers
16 working at a single site that consume more than one megawatt of
17 energy on an average annual basis for the purpose of securing a
18 blockchain protocol and generating controllable electronic records;

19 6. "Hardware storage wallet" means a physical device that is
20 not continuously connected to the Internet and allows an individual
21 to secure and transfer controllable electronic records;

22 7. "Home digital asset mining" means digital mining in an area
23 zoned for residential use;

1 8. "Node" means a computational device that communicates with
2 other devices, participates on a blockchain to maintain consensus
3 and integrity of that blockchain, creates and validates transaction
4 blocks, or contains and updates a copy of a blockchain;

5 9. "Self-hosted wallet" means a digital interface used to
6 secure and transfer controllable electronic records and under which
7 the owner of the controllable electronic record retains independent
8 control over the controllable electronic record that is secured by
9 such digital interface;

10 10. "Staking" means the act of committing controllable
11 electronic records for a period of time to validate and secure a
12 specific blockchain network; and

13 11. "Staking as a service" means the provision of technical
14 staking services, including the operating of nodes and the
15 associated infrastructure, necessary to facilitate participation in
16 blockchain networks' consensus mechanisms.

17 SECTION 3. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 9152 of Title 74, unless there
19 is created a duplication in numbering, reads as follows:

20 A. An individual may:

21 1. Engage in home digital asset mining as long as the
22 individual complies with all local noise ordinances; and

23 2. Operate a node for the purpose of connecting to a blockchain
24 protocol or a protocol built on top of a blockchain protocol and
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1 transferring digital assets on a blockchain protocol or to
2 participate in staking on a blockchain protocol.

3 An individual engaged in home digital asset mining, a digital
4 asset mining business, or operating a node or a series of nodes on a
5 blockchain protocol shall not be required to obtain a license.

6 B. A digital asset mining business may engage in digital asset
7 mining in any area that is zoned for industrial use.

8 C. A political subdivision shall not:

9 1. Set a specific limit on sound decibels generated from home
10 digital asset mining other than the limits set by the political
11 subdivision for sound pollution generally;

12 2. Set a specific limit on sound decibels generated from a
13 digital asset mining business other than limits set for sound
14 pollution which apply to industrial zoned areas generally;

15 3. Impose any requirement on a digital asset mining business
16 that is not also a requirement for data centers within the area of
17 jurisdiction for such political subdivision; or

18 4. Make a zoning change to an area with a digital asset mining
19 business without conducting all required notice and hearing
20 procedures. A digital asset mining business may appeal such zoning
21 change to the proper court of jurisdiction. A judge of such court
22 shall reject such zoning change if the change was made to
23 discriminate against a digital asset mining business.
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SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9153 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The state or any political subdivision thereof shall not:

1. Prohibit, restrict, or otherwise impair the ability of an individual to use:

a. a controllable electronic record to purchase legal goods or services, or

b. a self-hosted, third-party, or hardware storage wallet for self-custody of controllable electronic records; or

2. Impose any additional tax, withholding, assessment, or charge on a controllable electronic record used as a method of payment based solely on the use of the controllable electronic record as the method of payment.

B. 1. A controllable electronic record used as a method of payment shall not be subject to any Oklahoma income tax for any transaction valued less than Two Hundred Dollars (\$200.00).

2. For calendar year 2026, and each calendar year thereafter, the limit of Two Hundred Dollars (\$200.00) shall be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics from the twelve (12) months ending on August 31 after the effective date of this act to the twelve (12) months ending on August 31 of the

1 year preceding the applicable calendar year. The limit of Two
2 Hundred Dollars (\$200.00) shall be adjusted for cumulative inflation
3 starting in 2025.

4 C. This section shall not prohibit the state or any political
5 subdivision thereof from imposing or collecting a tax, withholding,
6 assessment, or charge that would otherwise be collected if the
7 transaction had taken place with United States currency.

8 SECTION 5. This act shall become effective November 1, 2024.

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