

Executive Summary:

Protection For Digital Mining Act



Summary of Legislation



Protect Job Growth in the USA

The legislation would protect digital asset mining which uses large amounts of electricity and creates noise in areas that are zoned both residential and for industrial use. In residential areas, digital asset mining is legal as long as it abides by local noise pollution ordinances. In industrial areas, mining operations that qualify as a “digital asset mining business” shall be legal.

The legislation also offers protections against localities trying to change zoning laws to remove digital asset mining businesses. Additionally, the legislation prevents the public service commissions from creating rate schedules for digital asset mining businesses that are substantially different from other industrial uses of electricity such as data centers. Finally, it prevents those engaged in digital asset mining from having to register as money transmitters.

What Problem is the Bill Solving?

Digital asset mining, especially Bitcoin mining, has grown by leaps and bounds in the United States. But these companies have often drawn criticism for the amount of energy they consume and the noise created. Local governments have sought to use a variety of tactics to force digital asset mining businesses to shut down including changing zoning laws or banning the practice in a political subdivision outright.

This legislation would make it clear at a state level how and where home mining and digital asset mining businesses can operate while still allowing localities to have control over certain zoning jurisdictions. Additionally it will create certainty for the digital asset mining industry so they can invest and grow the local economy.



Prevent Discriminatory Practices



Talking Points for the Bill

- Digital asset mining is an economic growth engine, especially in rural communities who have been hard hit. The pay for a job at a digital mining facility is often over the median wage in the area but legal certainty is needed to create these jobs.
- Digital asset miners want to be good neighbors. This will ensure that those living by miners are not dealing with noise pollution and the power grid is balanced.
- The bill doesn't take away power from local governments. It only prevents them from abusing their arbitrary power specifically to target digital asset miners.
- This legislation will send a clear message to the digital asset mining industry that a state is open for business attracting miners from across the world.

Section By Section Breakdown of the Legislation

- The legislation defines terms. The most important is “digital asset mining business” which is a business that uses over 1 megawatt of electricity and “discriminatory rates” which is charging digital asset miners more than other industrial uses of electricity.
- The bill makes it legal to mine digital assets in a residential area as long as they abide by local noise pollution ordinances.
- It is legal to run a digital asset mining business in an area that is zoned for industrial use. This is regardless of the energy used or noise created.
- A political subdivision cannot impose any other requirements on digital asset mining businesses which are different from data centers in the same area.
- A political subdivision cannot change the zoning of an industrial area without going through the proper notice and comment.
- A digital asset mining business can challenge a change to zoning if they can prove it was done to discriminate against a digital asset mining business.
- The public service or utility commission of a state shall not set discriminatory rates for digital asset mining businesses. This means that digital asset mining businesses shall pay approximately the same cost as other industrial uses of electricity.
- Digital asset mining shall not require a miner to obtain a money transmitter license in the state. This is done to prevent similar problems to the federal infrastructure bill where digital asset miners were treated like financial institutions.