

2 State of Arkansas  
3 94th General Assembly  
4 Regular Session, 2023

# A Bill

ANS/ANS  
SENATE BILL

5  
6 By: Senator B. King

7 Filed with: Arkansas Legislative Council  
8 pursuant to A.C.A. § 10-3-217.

## 9 For An Act To Be Entitled

10 AN ACT TO REPEAL THE ARKANSAS DATA CENTERS ACT OF  
11 2023; AND FOR OTHER PURPOSES.

### 12 13 14 Subtitle

15 TO REPEAL THE ARKANSAS DATA CENTERS ACT  
16 OF 2023.

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18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20  
21 SECTION 1. Arkansas Code Title 14, Chapter 1, Subchapter 6, is  
22 repealed.

23  
24 ~~Subchapter 6 — Arkansas Data Centers Act of 2023~~

25  
26 ~~14-1-601. Title.~~

27 ~~This subchapter shall be known and may be cited as the "Arkansas Data~~  
28 ~~Centers Act of 2023".~~

29  
30 ~~14-1-602. Legislative findings and intent.~~

31 ~~(a) The General Assembly finds that:~~

32 ~~(1) The data centers industry began its modern version in the~~  
33 ~~1980s, and the industry has seen accelerated growth since 2008;~~

34 ~~(2) Data centers have seen global growth with the expansion of~~  
35 ~~bandwidth, the need for analytical data research, and digital currency;~~

1           ~~(3) Data centers, digital currency, and blockchain technology~~  
2 ~~are legal in all fifty (50) states; and~~

3           ~~(4) Guidance for future industry growth is needed in Arkansas to~~  
4 ~~protect Arkansans from fraudulent business practices.~~

5           ~~(b) Through the enactment of this subchapter, the General Assembly~~  
6 ~~intends to:~~

7           ~~(1) Recognize that data centers create jobs, pay taxes, and~~  
8 ~~provide general economic value to local communities and this state; and~~

9           ~~(2) Clarify the guidelines needed to protect data asset miners~~  
10 ~~from discriminatory industry specific regulations and taxes.~~

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12       ~~14-1-603. Definitions.~~

13       ~~As used in this subchapter:~~

14           ~~(1) "Blockchain network" means a group of computers operating~~  
15 ~~and processing together to execute a consensus mechanism to agree upon and~~  
16 ~~verify data in a digital record;~~

17           ~~(2) "Digital asset" means cryptocurrency, virtual currency, and~~  
18 ~~natively electronic assets, including without limitation stable coins,~~  
19 ~~nonfungible tokens, and other digital-only assets, that confer economic,~~  
20 ~~proprietary, or access rights or powers;~~

21           ~~(3) "Digital asset miner" is an individual who mines for digital~~  
22 ~~assets;~~

23           ~~(4) "Digital asset mining" means use of electricity to power a~~  
24 ~~computer for the purpose of securing or validating a blockchain network;~~

25           ~~(5) "Digital asset mining business" means a group of computers~~  
26 ~~working at a single site that consumes more than one megawatt (1 MW) on an~~  
27 ~~average annual basis for the purpose of generating digital assets by securing~~  
28 ~~a blockchain network;~~

29           ~~(6) "Home digital asset mining" means mining digital assets in~~  
30 ~~areas zoned for residential use;~~

31           ~~(7) "Legislative body" means the quorum court of a county or the~~  
32 ~~city council, board of directors, board of commissioners, or similarly~~  
33 ~~elected governing body of local government;~~

34           ~~(8) "Local government" means a county, a city of the first~~  
35 ~~class, a city of the second class, or an incorporated town;~~

1           ~~(9)(A) "Node" means a computational device that contains a copy~~  
2 ~~of blockchain distributed ledger technology.~~

3                     ~~(B) "Node" includes a series;~~

4           ~~(10) "Ordinance" means an ordinance, resolution, or other~~  
5 ~~appropriate legislative enactment of a legislative body that:~~

6                     ~~(A) Prohibits an individual from operating a business from~~  
7 ~~a residence; or~~

8                     ~~(B) Requires an individual to obtain approval before~~  
9 ~~operating a business from a residence;~~

10           ~~(11) "Person" means an individual or legal entity; and~~

11           ~~(12) "Residence" means a permanent dwelling place, unit, or~~  
12 ~~accessory structure.~~

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14           ~~14-1-604. Digital asset mining.~~

15           ~~(a) A digital asset mining business may operate in this state if the~~  
16 ~~digital asset mining business complies with:~~

17                     ~~(1) State law concerning business guidelines and tax policies;~~

18                     ~~(2) Any ordinance concerning operations and safety;~~

19                     ~~(3) Any rule or rate for utility service provided by or on~~  
20 ~~behalf of a public entity; and~~

21                     ~~(4) State and federal employment laws.~~

22           ~~(b) A digital asset miner shall:~~

23                     ~~(1) Pay applicable taxes and government fees in acceptable forms~~  
24 ~~of currency; and~~

25                     ~~(2) Operate in a manner that causes no stress on an electric~~  
26 ~~public utility's generation capabilities or transmission network.~~

27           ~~(c) An individual may utilize a node in this state for the purpose of~~  
28 ~~operating home digital asset mining at the individual's residence according~~  
29 ~~to applicable utility rules and rates.~~

30           ~~(d) A person may have a digital asset mining business in an area that~~  
31 ~~is zoned for industrial use that has not been designated by the local~~  
32 ~~government for other uses.~~

33           ~~(e) A person that is engaged in home digital asset mining or that has~~  
34 ~~a digital asset mining business shall not be considered a money transmitter~~  
35 ~~under the Uniform Money Services Act, § 23-55-101 et seq.~~

36

1           ~~14-1-605. Discrimination against digital asset mining business~~  
2 ~~prohibited.~~

3           ~~(a) Except as provided by subsection (d) of this section, a local~~  
4 ~~government shall not:~~

5                   ~~(1) Enact or adopt an ordinance, policy, or action that limits~~  
6 ~~the sound decibels generated from home digital asset mining other than the~~  
7 ~~limits set for sound pollution generally;~~

8                   ~~(2) Impose a different requirement for a digital asset mining~~  
9 ~~business than is applicable to any requirement for a data center;~~

10                  ~~(3) Rezone an area in which a digital asset mining business is~~  
11 ~~located without complying with applicable state law and local zoning~~  
12 ~~ordinances; or~~

13                  ~~(4) Rezone an area with the intent or effect of discriminating~~  
14 ~~against a digital asset mining business.~~

15           ~~(b) A digital asset mining business may appeal a change in zoning of~~  
16 ~~an area by a local government under any applicable state law or local zoning~~  
17 ~~ordinance.~~

18           ~~(c) If consistent with applicable state and federal statutes, orders,~~  
19 ~~rules, and regulations, including without limitation §§ 23-3-114 and 23-4-~~  
20 ~~103, the Arkansas Public Service Commission shall not establish an~~  
21 ~~unreasonably discriminatory rate for digital asset mining business customer.~~

22           ~~(d) The prohibitions under subsection (a) of this section do not apply~~  
23 ~~to any rule or rate for utility services provided by or on behalf of a public~~  
24 ~~entity.~~

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27 Referred by Senator B. King

28 Prepared by: ANS/ANS

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