

An Act

ENROLLED HOUSE
BILL NO. 3594

By: Hill and Maynard of the
House

and

Coleman and Prieto of the
Senate

An Act relating to blockchains; defining terms; directing that the government of Oklahoma not take certain actions; prohibiting subjecting payment with digital assets to additional tax, withholding, assessment, or charge; clarifying scope of section; authorizing certain home digital asset mining; authorizing certain digital asset mining businesses; limiting certain actions by political subdivisions; permitting certain appeals of certain zoning changes; directing the Oklahoma Corporation Commission to not create certain discriminatory rates; clarifying that certain persons are not required to obtain a money transmitter license; permitting certain operations; limiting certain liability; requiring adherence to the jurisdiction of the Oklahoma Department of Securities; providing for noncodification; providing for codification; and providing an effective date.

SUBJECT: Blockchains

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

In publishing the decennial Oklahoma Statutes and the cumulative supplements after July 1, 2024, West Publishing Company shall include in such decennial statutes and supplements a new Title 75A, to be designated "Technology".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 100 of Title 75A, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Blockchain" means data that is shared across a network to create a ledger of verified transactions or information among network participants linked using cryptography to maintain the integrity of the ledger and to execute other functions and distributed among network participants in an automated fashion to concurrently update network participants on the state of the ledger and any other functions;

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

3. "Digital asset" means virtual currency, cryptocurrencies, natively electronic assets, including stablecoins and non-fungible tokens, and other digital-only assets that confer economic, proprietary, or access rights or powers;

4. "Digital asset mining" means using electricity to power a computer or node for the purpose of securing a blockchain network;

5. "Digital asset mining business" means a group of computers working that consume more than one (1) megawatt of energy for the purpose of securing a blockchain protocol;

6. "Discriminatory rates" means electricity rates substantially higher from other industrial uses of electricity in similar geographic areas;

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

8. "Node" means a computational device which contains and updates a copy of a blockchain;

9. "Self-hosted wallet" means a digital interface used to secure and transfer digital assets and under which the owner of the digital asset retains independent control over the digital assets that are secured by such digital interface;

10. "Hardware wallet" means a physical device that is not continuously connected to the Internet and allows an individual to secure and transfer digital assets and under which the owner of the digital assets retains independent control over the digital assets;

11. "Staking" means the act of committing digital assets for a period of time to validate and secure a specific blockchain protocol; and

12. "Staking as a service" means the provision of technical staking services, including the operation of nodes and the associated infrastructure, necessary to facilitate participation in blockchain protocols' consensus mechanisms.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 101 of Title 75A, unless there is created a duplication in numbering, reads as follows:

A. The government of Oklahoma shall not prohibit, restrict, or otherwise impair the ability of an individual to:

1. Use digital assets to purchase legal goods or services; and

2. Self-custody digital assets using a self-hosted wallet or a hardware wallet.

B. Digital assets used as a method of payment may not be subject to any additional tax, withholding, assessment, or charge by the state or local government that is based solely on the use of the digital asset as the method of payment.

C. This section shall not prohibit the state or a local government from imposing or collecting a tax, withholding, assessment, or charge that would otherwise be offered if the transaction had taken place with United States legal tender.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 102 of Title 75A, unless there is created a duplication in numbering, reads as follows:

A. It shall be legal in the State of Oklahoma to participate in home digital asset mining as long as the person engaging in home digital asset mining complies with all local noise ordinances.

B. It shall be legal in the State of Oklahoma to have a digital asset mining business in any area that is zoned for industrial use.

C. A political subdivision shall place no specific limit on sound decibels generated from a digital asset mining business other than limits they set for sound pollution which apply to industrial zoned areas generally.

D. A political subdivision shall not be able to impose any other requirements on a digital asset mining business that is also not a requirement for data centers in its area of jurisdiction.

E. A political subdivision shall not be able to change the zoning of a digital asset mining business without going through the proper notice and comment.

F. A digital asset mining business shall be able to appeal a change in zoning to the proper court of jurisdiction. A judge shall reject such a change in zoning if it was done to discriminate against a digital asset mining business.

G. The Oklahoma Corporation Commission shall not establish a rate schedule for digital asset mining that creates discriminatory rates for digital asset mining businesses.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 103 of Title 75A, unless there is created a duplication in numbering, reads as follows:

A. Anyone engaged in home digital asset mining, or digital asset mining business, staking, or staking as a service shall not be required to obtain a money transmitter license under Section 1513 of Title 6 of the Oklahoma Statutes.

B. It shall be legal in the State of Oklahoma to operate a node for the purpose of connecting to a blockchain protocol or a protocol built on top of a blockchain protocol and transferring digital assets on a blockchain protocol or to participate in staking on a blockchain protocol.

C. Operating a node or series of nodes on a blockchain protocol shall not require an individual or business to obtain a money transmitter license under Section 1513 of Title 6 of the Oklahoma Statutes.

D. Notwithstanding any other provision of law, anyone engaged in digital asset mining, operating a node or series of nodes on a blockchain network, or providing digital asset mining or staking as a service for individuals or other businesses shall not face liability related to a specific transaction merely by validating that transaction.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 104 of Title 75A, unless there is created a duplication in numbering, reads as follows:

Nothing in this title restricts, impedes, limits, exempts, and/or excepts any person, entity, transaction, or conduct from the jurisdiction authorized in Title 71 of the Oklahoma Statutes to the Oklahoma Department of Securities.

SECTION 7. This act shall become effective November 1, 2024.

Passed the House of Representatives the 7th day of May, 2024.

Presiding Officer of the House
of Representatives

Passed the Senate the 24th day of April, 2024.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

