

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 736, Page 4, Section 34.700, Line 10,
2 inserting after all of said section and line the following:

3
4 "67.2060. 1. This section shall be known and may be cited as the "Blockchain Basics Act".

5 2. As used in this section, the following terms mean:

6 (1) "Blockchain", data that is:

7 (a) Shared across a network to create a ledger of verified transactions or information among
8 network participants linked using cryptography to maintain the integrity of the ledger and to execute
9 other functions; and

10 (b) Distributed among network participants in an automated fashion to concurrently update
11 network participants on the state of the ledger and any other functions;

12 (2) "Blockchain protocol", any executable software deployed to a blockchain composed of
13 source code that is publicly available and accessible including, but not limited to, a smart contract or
14 any network of smart contracts;

15 (3) "Consumer Price Index", the Consumer Price Index for All Urban Consumers (CPI-U)
16 (1982-1984 = 100), not seasonally adjusted, as defined and officially recorded by the United States
17 Department of Labor, or its successor agency, from January first of the current year compared to
18 January first of the preceding year;

19 (4) "Digital asset", virtual currency, cryptocurrencies, natively electronic assets including,
20 but not limited to, stablecoins and nonfungible tokens, and other digital-only assets that confer
21 economic, proprietary, or access rights or powers;

22 (5) "Digital asset mining", using electricity to power a computer or node for the purpose of
23 securing a blockchain network;

24 (6) "Digital asset mining business", a group of computers working that consumes more than
25 one megawatt of electricity for the purpose of securing a blockchain protocol;

26 (7) "Discriminatory rates", the charging of rates for electricity that are substantially different
27 from the rates charged for other industrial uses of electricity in similar geographic areas;

28 (8) "Home digital asset mining", digital asset mining in an area zoned for residential use;

29 (9) "Node", a computational device that does any of the following:

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1 (a) Communicates with other devices or participants on a blockchain to maintain consensus
2 and integrity of that blockchain;

3 (b) Creates and validates transaction blocks; or

4 (c) Contains and updates a copy of a blockchain.

5
6 A node does not exercise discretion over transactions initiated by the end user of the blockchain
7 protocol;

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

11 (11) "Staking", using a node to lock digital assets in order to operate the consensus
12 mechanism of a blockchain protocol.

13 3. The state shall not prohibit, restrict, or otherwise impair the ability of an individual to:

14 (1) Accept digital assets as a method of payment for legal goods and services; or

15 (2) Self-custody digital assets using a self-hosted wallet or third-party wallet.

16 4. Digital assets used as a method of payment shall not be subject to any additional tax,
17 withholding, assessment, or charge by the state or a political subdivision that is based solely on the
18 use of the digital asset as the method of payment.

19 5. Digital assets used as a method of payment shall not be subject to capital gains tax subject
20 to a two-hundred-dollar limit per transaction. The limitation amount shall be adjusted for inflation
21 on January first annually based on the percentage increase in the Consumer Price Index. This
22 subsection shall not be construed to prohibit the state or a political subdivision from imposing or
23 collecting a tax, withholding, assessment, or charge that would otherwise be offered if the
24 transaction had taken place with United States legal tender.

25 6. (1) Neither the state nor a political subdivision thereof shall prohibit an individual from
26 participating in home digital asset mining as long as such individual complies with all local noise
27 ordinances.

28 (2) No political subdivision shall place any specific limit on sound decibels generated from
29 home digital asset mining that is more restrictive than other limits set for sound pollution enforced
30 by the political subdivision.

31 7. (1) Neither the state nor a political subdivision thereof shall prohibit a digital asset
32 mining business from operating in any area zoned for industrial use provided they comply with all
33 current ordinances.

34 (2) No political subdivision shall place any specific limit on sound decibels generated from
35 a digital asset mining business that is more restrictive than other general limits set for sound
36 pollution in areas zoned for industrial use.

37 8. No political subdivision shall impose any requirement on a digital asset mining business
38 that is not also a requirement for data centers in its jurisdiction.

1 9. No political subdivision shall change the zoning of a digital asset mining business without
 2 satisfying proper notice and comment requirements. A digital asset mining business shall be able to
 3 appeal a change in zoning to a court with proper jurisdiction. A judge shall find a violation of this
 4 section and nullify such a change in zoning if the judge determines the change was done to
 5 discriminate against a digital asset mining business.

6 10. A digital asset mining business shall be able to operate in Missouri when all obligations
 7 from their utility companies in regards to bonds, deposits, and prepayments for energy consumption
 8 are met.

9 11. Anyone engaged in home digital asset mining or a digital asset mining business shall not
 10 be considered a money transmitter under sections 361.700 to 361.727.

11 12. The state shall not prohibit an individual from:

12 (1) Operating a node for the purpose of connecting to a blockchain protocol or a protocol
 13 built on top of a blockchain protocol and transferring digital assets on a blockchain protocol; or

14 (2) Participating in staking on a blockchain protocol.

15 13. An individual or business operating a node or a series of nodes on a blockchain protocol
 16 shall not be required to obtain a money transmitter license under sections 361.700 to 361.727 to
 17 engage in such activity.

18 14. No business offering to provide digital asset mining or staking services for individuals
 19 or to other businesses shall be considered as offering a security or investment contract under state
 20 law.

21 15. Notwithstanding any other provision of law to the contrary, no individual or entity shall
 22 face liability related to a specific transaction merely by validating such transaction if such individual
 23 or entity:

24 (1) Engages in digital asset mining;

25 (2) Operates a node or series of nodes on a blockchain network; or

26 (3) Provides digital asset mining or staking services for individuals or other businesses.";

27 and

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 29 Further amend said bill, Page 50, Section 361.996, Line 8, by inserting after all of said line the
 30 following:

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 32 "3. A person appointed as an agent of a payor for purposes of providing payroll processing
 33 services for which the agent would otherwise need to be licensed shall not need to be licensed,
 34 provided all of the following apply:

35 (1) There is a written agreement between the payor and the agent that directs the agent to
 36 provide payroll processing services on the payor's behalf;

37 (2) The payor holds the agent out to employees and other payees as providing payroll
 38 processing services on the payor's behalf; and

39 (3) The payor's obligation to a payee, including an employee or any other party entitled to
 40 receive funds via the payroll processing services provided by the agent, shall not be extinguished if

1 the agent fails to remit the funds to the payee."; and

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3 Further amend said bill by amending the title, enacting clause, and intersectional references
4 accordingly.

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