

HB 2107 -- DIGITAL ASSETS

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This bill establishes the "Blockchain Basics Act".

The bill defines several terms such as "blockchain"; "blockchain protocol"; "digital asset"; "digital asset mining"; "discriminatory rates"; "node"; and "staking".

Under the bill, the state is prohibited from impairing the ability of an individual to:

- (1) Use digital assets to purchase legal goods or services; or
- (2) Self-custody digital assets using a self-hosted wallet or third-party wallet.

Further, the digital assets used as a method of payment are not subject to any additional tax, withholding, assessment, or charge by the state or a political subdivision. Neither are the digital assets used as a method of payment subject to capital gains as specified in the bill.

The bill precludes the state and political subdivisions from prohibiting certain actions all as detailed in the bill. In addition, the bill specifies other actions that the state and political subdivisions cannot take against a digital asset mining business. The bill also states that the Public Service Commission cannot set a rate schedule that creates discriminatory rates for a digital asset mining business.

Under the bill, anyone engaged in home digital asset mining or a digital asset mining business shall not be considered a money transmitter.

The bill insulates an individual or entity from liability relating to a specific transaction if such individual or entity:

- (1) Engages in digital asset mining;
- (2) Operates a node or series of nodes on a blockchain network; or
- (3) Provides digital asset mining or staking services for individuals or other businesses.