

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3594

By: Hill

AS INTRODUCED

An Act relating to blockchains; providing definitions; directing that the government of Oklahoma not take certain actions; prohibiting subjecting payment with digital assets to additional tax, withholding, assessment, or charge; limiting capital gains tax for certain digital asset transactions; 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; clarifying that certain business offering shall not be considered a security or investment contract; limiting certain liability; providing for codification; and providing an effective date.

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, 2022, West Publishing Company shall

1 include in such decennial statutes and supplements a new Title 75A,  
2 to be designated "Technology".

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

6 As used in this act:

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

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

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

22 4. "Digital asset mining" means using electricity to power a  
23 computer or node for the purpose of securing a blockchain network;  
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1           5. "Digital asset mining business" means a group of computers  
2 working that consume more than one (1) megawatt of energy for the  
3 purpose of securing a blockchain protocol;

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

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

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

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

15           10. "Staking" means using a node to lock digital assets in  
16 order to operate the consensus mechanism of a blockchain protocol.

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

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

- 22           1. Use digital assets to purchase legal goods or services;  
23           2. Self-custody digital assets using a self-hosted wallet or  
24 third party wallet.  
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1 B. Digital assets used as a method of payment may not be  
2 subject to any additional tax, withholding, assessment, or charge by  
3 the state or local government that is based solely on the use of the  
4 digital asset as the method of payment.

5 C. Digital assets used as a method of payment shall not be  
6 subject to capital gains tax subject to a Two Hundred Dollar  
7 (\$200.00) limit per transaction. This figure shall be adjusted  
8 annually for inflation on January 1 of each year, according to the  
9 average annual increase in the Consumer Price Index.

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

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

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

20 B. A political subdivision shall place no specific limit on  
21 sound decibels generated from home digital asset mining other than  
22 current limits set for sound pollution put forth by the political  
23 subdivision.

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

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

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

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

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

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

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

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

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

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

12 D. A business offering to provide digital asset mining or  
13 staking services for individuals or to other businesses shall not be  
14 considered as offering a security or investment contract as defined  
15 in Section 1-102 of Title 71 of the Oklahoma Statutes.

16 E. Notwithstanding any other provision of law, anyone engaged  
17 in digital asset mining, operating a node or series of nodes on a  
18 blockchain network, or providing digital asset mining or staking  
19 services for individuals or other businesses shall not face  
20 liability related to a specific transaction merely by validating  
21 that transaction.

22 SECTION 6. This act shall become effective November 1, 2024.

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24 59-2-9064 MJ 01/10/24  
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