

# SENATE BILL NO. 1507

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

5991S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to digital assets.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 67, RSMo, is amended by adding thereto  
2 one new section, to be known as section 67.2060, to read as  
3 follows:

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

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

(1) "Blockchain", data that is:

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

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

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

(3) "Consumer Price Index", the Consumer Price Index  
17 for All Urban Consumers (CPI-U), 1982-1984 = 100, not  
18 seasonally adjusted, as defined and officially recorded by  
19

20 the United States Department of Labor, or its successor  
21 agency, from January first of the current year compared to  
22 January first of the preceding year;

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

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

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

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

39 (8) "Hardware wallet", a physical device that is not  
40 continuously connected to the internet and that allows an  
41 individual to secure and transfer digital assets and under  
42 which the owner of the digital assets retains independent  
43 control over the digital assets;

44 (9) "Home digital asset mining", digital asset mining  
45 in an area zoned for residential use;

46 (10) "Node", a computational device that communicates  
47 with other devices or participants, or both, on a blockchain  
48 to maintain consensus and integrity of that blockchain,  
49 creates and validates transaction blocks, and also contains  
50 and updates a copy of a blockchain but does not exercise

51 discretion over transactions initiated by the end users of  
52 the blockchain protocol;

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

57 (12) "Staking", the act of committing digital assets  
58 for a period of time to validate and secure a specific  
59 blockchain protocol;

60 (13) "Staking as a service", the provision of  
61 technical staking services, including, but not limited to,  
62 the operation of nodes and the associated infrastructure,  
63 that are necessary to facilitate participation in blockchain  
64 protocols' consensus mechanisms.

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

67 (1) Use digital assets to purchase legal goods or  
68 services; or

69 (2) Self-custody digital assets using a self-hosted  
70 wallet or a hardware wallet.

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

76 5. Digital assets used as a method of payment shall  
77 not be subject to capital gains tax subject to a two-hundred-  
78 dollar limit per transaction. The limitation amount shall  
79 be adjusted for inflation on January first annually based on  
80 the percentage increase in the Consumer Price Index. This  
81 subsection shall not be construed to prohibit the state or a  
82 political subdivision from imposing or collecting a tax,

83 withholding, assessment, or charge that would otherwise be  
84 offered if the transaction had taken place with United  
85 States legal tender.

86 6. (1) Neither the state nor a political subdivision  
87 thereof shall prohibit an individual from participating in  
88 home digital asset mining as long as such individual  
89 complies with all local noise ordinances.

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

94 7. (1) Neither the state nor a political subdivision  
95 thereof shall prohibit a digital asset mining business from  
96 operating in any area zoned for industrial use.

97 (2) No political subdivision shall place any specific  
98 limit on sound decibels generated from a digital asset  
99 mining business that is more restrictive than other general  
100 limits set for sound pollution in areas zoned for industrial  
101 use. A digital asset mining business shall comply with  
102 general limits for sound pollution set by the political  
103 subdivision.

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

107 9. No political subdivision shall change the zoning of  
108 a digital asset mining business without satisfying proper  
109 notice and comment requirements. A digital asset mining  
110 business shall be able to appeal a change in zoning to a  
111 court with proper jurisdiction. A judge shall find a  
112 violation of this section and nullify such a change in  
113 zoning if the judge determines the change was made to  
114 discriminate against a digital asset mining business.

115           10. The public service commission may approve rates  
116 reflective of cost to serve but shall not approve a rate  
117 schedule for digital asset mining that creates  
118 discriminatory rates for digital asset mining businesses.

119           11. Anyone engaged in home digital asset mining or a  
120 digital asset mining business, staking business, staking as  
121 a service, or exchanging digital assets for another digital  
122 asset on a blockchain protocol business shall not be  
123 considered a money transmitter under sections 361.700 to  
124 361.727.

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

126           (1) Operating a node for the purpose of connecting to  
127 a blockchain protocol or a protocol built on top of a  
128 blockchain protocol and transferring digital assets on a  
129 blockchain protocol; or

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

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

135           14. No business offering to provide digital asset  
136 mining or staking as a service for individuals or to other  
137 businesses shall be considered as an offering of a security  
138 or investment contract under state law.

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

143           (1) Engages in digital asset mining;

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

146           (3) Provides digital asset mining or staking as a  
147 service for individuals or other businesses.

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