HOUSE BILL NO. 6147

November 14, 2024, Introduced by Reps. Carra, Maddock, DeSana, Schriver, Jaime Greene, Fox and Friske and referred to the Committee on Regulatory Reform.

A bill to regulate the use of digital assets; to prohibit certain digital asset taxes; to protect the right to home digital asset mining; to regulate a digital asset mining business; to protect the right to operate a node; to prohibit certain uses and acceptances of central bank digital currency as legal payment; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 1. This act may be cited as the "digital asset act".

2   Sec. 3. As used in this act:

3   (a) "Blockchain" means data that is shared across a network to

1 create a ledger of verified transactions or information among

2 network participants linked using cryptography to maintain the

3 integrity of the ledger and to execute other functions and

4 distributed among network participants in an automated fashion to

5 concurrently update network participants on the state of the ledger

6 and any other functions.

7   (b) "Blockchain protocol" means any executable software

8 deployed to a blockchain composed of a source code that is publicly

9 available and accessible, including a smart contract or any network

10 of smart contracts.

11   (c) "Central bank digital currency" means a digital currency,

12 a digital medium of exchange, or a digital monetary unit of account

13 issued by the United States Federal Reserve System, a federal

14 agency, state agency, a foreign government, a foreign central bank,

15 or a foreign reserve system, that is made directly available to a

16 consumer and processed and validated by those entities.

17   (d) "Data center" means a building or premises in which the

18 majority of the use of the building or premises is occupied by

19 computers, telecommunications, or related equipment including, but

20 not limited to, supporting equipment, where digital information is

21 processed, transferred, and stored.

22   (e) "Digital asset" means virtual currency, cryptocurrency,

23 natively electronic assets, including stablecoins and non-fungible

24 tokens, and other digital-only assets that confer economic,

25 proprietary, or access rights or powers.

26   (f) "Digital asset mining" means using electricity to power a

27 computer or node for the purpose of securing a blockchain.

28   (g) "Digital asset mining business" means a group of computers

29 working together that consume more than 1 megawatt of energy for

1 the purpose of securing a blockchain protocol.

2 (h) "Digital interface" means the medium through which an

3 individual or a technology interact with a device, software, or

4 application.

5 (i) "Hardware storage wallet" means a physical device that is

6 not continuously connected to the internet, allows an individual to

7 secure and transfer digital assets, and under which the owner of

8 the digital assets retains independent control over the digital

9 assets.

10 (j) "Home digital asset mining" means using digital asset

11 mining in an area zoned for residential use.

12 (k) "Node" means a computational device which contains and

13 updates a copy of a blockchain.

14 (*l*) "Person" means an individual or a partnership, corporation,

15 limited liability company, association, or other legal entity.

16 (m) "Self-hosted wallet" means a digital interface used to

17 secure and transfer digital assets and under which the owner of the

18 digital asset retains independent control over the digital assets

19 that are secured by the digital interface.

20 (n) "Third-party wallet" means a digital interface used to

21 secure and transfer digital assets and under which a third party

22 maintains and secures control over an individual's digital assets

23 that are secured by the digital interface.

24 Sec. 5. (1) A governmental entity or political subdivision of

25 a governmental entity shall not prohibit, restrict, require a

26 license or permit, or otherwise impair a person from using digital

27 assets to purchase legal goods or services.

28 (2) A governmental entity or political subdivision of a

29 governmental entity shall not prohibit, restrict, require a license

1   or permit, or otherwise impair a person from using any of the

2   following to maintain custody of digital assets:

3   (a) A self-hosted wallet.

4   (b) A third-party wallet.

5   (c) Hardware storage wallet.

6   (3) A governmental entity or political subdivision of a

7   governmental entity shall not impose a tax, withholding,

8   assessment, or charge on a digital asset used as a method of

9   payment based only on the use of the digital asset as a method of

10 payment by an individual.

11   Sec. 7. (1) A governmental entity or political subdivision of

12 a governmental entity shall not interfere with a person that

13 engages in home digital asset mining if the person complies with

14 all local ordinances while engaging in home digital asset mining

15 including, but not limited to, local noise ordinances.

16   (2) A local unit of government shall not set a specific limit

17 on decibels generated from a person engaging in home digital asset

18 mining other than any applicable general limits set for sound

19 pollution.

20   Sec. 9. (1) A governmental entity or political subdivision of

21 a governmental entity shall not interfere with a digital asset

22 mining business that engages in digital asset mining if the digital

23 asset mining business is engaging in digital asset mining in an

24 area that is zoned for industrial use.

25   (2) A local unit of government shall not set a specific limit

26 on decibels generated from a digital mining business other than any

27 applicable general limits set for sound pollution that apply to

28 industrial zoned areas.

29   (3) A local unit of government shall not impose any

1 restriction, requirement, or imposition on a digital asset mining
2 business that is not a restriction, requirement, or imposition for
3 a data center located in the same zoning district.

4   Sec. 11. (1) A governmental entity or political subdivision of
5 a governmental entity shall not interfere with a person that
6 operates a node to connect to a blockchain protocol or a protocol
7 built on top of a blockchain protocol and transfers digital assets
8 on a blockchain protocol.

9   (2) Notwithstanding any law to the contrary, a person engaged
10 in digital asset mining, operating a node or series of nodes on a
11 blockchain protocol, or providing digital asset mining as a service
12 for individuals or other businesses is not liable for a specific
13 transaction if the person only validates that specific transaction.

14   Sec. 12. (1) A governmental entity or political subdivision of
15 a governmental entity shall not do either of the following:

16   (a) Accept central bank digital currency as legal payment in
17 this state.

18   (b) Require central bank digital currency as legal payment for
19 any service, tax, license, permit, fee, information, or other
20 amount due to the governmental body.

21   (2) An administrative branch of a governmental entity shall
22 not advocate for or support the testing, adoption, or
23 implementation of a central bank digital currency by the United
24 States government.

25   Sec. 13. A person that suffers a loss as a result of a
26 violation of this act may bring a civil action against the person
27 or the governmental entity or political subdivision of a
28 governmental entity that committed the violation to recover treble
29 damages.