

# SENATE BILL NO. 692

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

2721S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 137.100, 361.700, and 361.705, RSMo, and to enact in lieu thereof five new sections relating to virtual currency, with penalty provisions.

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

Section A. Sections 137.100, 361.700, and 361.705, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 67.2060, 137.100, 324.1160, 361.700, and 361.705, to read as follows:

**67.2060. 1. This section shall be known and may be cited as the "Digital Asset Mining Protection Act".**

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

**(1) "Digital asset mining", the process of using a computer to secure a blockchain network, including the electricity usage needed to do so;**

**(2) "Digital asset mining business", any operation with a group of computers working at a single site that consumes more than one megawatt of electricity for the purpose of generating digital assets by securing a blockchain network;**

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

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

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18           (5) "Node", a computational device that contains a  
19 copy of a blockchain ledger.

20           3. Neither the state nor a political subdivision  
21 thereof shall prohibit the running of a node or a series of  
22 nodes for the purpose of home digital asset mining at a  
23 private residence.

24           4. No political subdivision shall place any specific  
25 limit on sound decibels generated from home digital asset  
26 mining that is more restrictive than other limits set for  
27 sound pollution enforced by the political subdivision.

28           5. Neither the state nor a political subdivision  
29 thereof shall prohibit a digital asset mining business from  
30 operating in any area zoned for industrial use.

31           6. No political subdivision shall impose any  
32 requirement on a digital asset mining business that is not  
33 also a requirement for data centers in its jurisdiction.

34           7. No political subdivision shall change the zoning of  
35 a digital asset mining business without satisfying proper  
36 notice and comment requirements. A digital asset mining  
37 business shall be able to appeal a change in zoning to a  
38 court with proper jurisdiction. A court shall find a  
39 violation of this section and nullify such a change in  
40 zoning if the court determines the change was done to  
41 discriminate against a digital asset mining business.

42           8. The public service commission shall not establish a  
43 rate schedule for digital asset mining that creates  
44 discriminatory rates for digital asset mining businesses.

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

          137.100. The following subjects are exempt from  
2 taxation for state, county or local purposes:

3 (1) Lands and other property belonging to this state;

4 (2) Lands and other property belonging to any city,  
5 county or other political subdivision in this state,  
6 including market houses, town halls and other public  
7 structures, with their furniture and equipments, and on  
8 public squares and lots kept open for health, use or  
9 ornament;

10 (3) Nonprofit cemeteries;

11 (4) The real estate and tangible personal property  
12 which is used exclusively for agricultural or horticultural  
13 societies organized in this state, including not-for-profit  
14 agribusiness associations;

15 (5) All property, real and personal, actually and  
16 regularly used exclusively for religious worship, for  
17 schools and colleges, or for purposes purely charitable and  
18 not held for private or corporate profit, except that the  
19 exemption herein granted does not include real property not  
20 actually used or occupied for the purpose of the  
21 organization but held or used as investment even though the  
22 income or rentals received therefrom is used wholly for  
23 religious, educational or charitable purposes;

24 (6) Household goods, furniture, wearing apparel and  
25 articles of personal use and adornment, as defined by the  
26 state tax commission, owned and used by a person in his home  
27 or dwelling place;

28 (7) Motor vehicles leased for a period of at least one  
29 year to this state or to any city, county, or political  
30 subdivision or to any religious, educational, or charitable  
31 organization which has obtained an exemption from the  
32 payment of federal income taxes, provided the motor vehicles  
33 are used exclusively for religious, educational, or  
34 charitable purposes;

35           (8) Real or personal property leased or otherwise  
36 transferred by an interstate compact agency created pursuant  
37 to sections 70.370 to 70.430 or sections 238.010 to 238.100  
38 to another for which or whom such property is not exempt  
39 when immediately after the lease or transfer, the interstate  
40 compact agency enters into a leaseback or other agreement  
41 that directly or indirectly gives such interstate compact  
42 agency a right to use, control, and possess the property;  
43 provided, however, that in the event of a conveyance of such  
44 property, the interstate compact agency must retain an  
45 option to purchase the property at a future date or, within  
46 the limitations period for reverters, the property must  
47 revert back to the interstate compact agency. Property will  
48 no longer be exempt under this subdivision in the event of a  
49 conveyance as of the date, if any, when:

50           (a) The right of the interstate compact agency to use,  
51 control, and possess the property is terminated;

52           (b) The interstate compact agency no longer has an  
53 option to purchase or otherwise acquire the property; and

54           (c) There are no provisions for reverter of the  
55 property within the limitation period for reverters;

56           (9) All property, real and personal, belonging to  
57 veterans' organizations. As used in this section,  
58 "veterans' organization" means any organization of veterans  
59 with a congressional charter, that is incorporated in this  
60 state, and that is exempt from taxation under section  
61 501(c)(19) of the Internal Revenue Code of 1986, as amended;

62           (10) Solar energy systems not held for resale; **and**

63           **(11) Virtual currencies. As used in this section,**  
64 **"virtual currency" means any type of digital representation**  
65 **of value that:**

66 (a) Is used as a medium of exchange, unit of account,  
67 or store of value; and

68 (b) Is not recognized as legal tender by the United  
69 States government.

324.1160. 1. As used in this section, the following  
2 terms mean:

3 (1) "Blockchain", a digital ledger or database that is  
4 chronological, consensus-based, decentralized, and  
5 mathematically verified in nature;

6 (2) "Consumptive", a circumstance when a token is  
7 exchangeable for, or provided for the receipt of, services,  
8 software, content, or real or tangible personal property,  
9 including rights of access to services, content, or real or  
10 tangible personal property;

11 (3) "Developer", the person primarily responsible for  
12 creating an open blockchain token or otherwise designing the  
13 token, including by executing the technological processes  
14 necessary to create the token;

15 (4) "Digital asset", a representation of economic,  
16 proprietary, or access rights that is stored in a computer-  
17 readable format and is either a digital consumer asset,  
18 digital security, or virtual currency;

19 (5) "Digital security", a digital asset that  
20 constitutes a security, as defined under section 409.1-102,  
21 but shall exclude digital consumer assets and virtual  
22 currency;

23 (6) "Facilitator", a person who, as a business, makes  
24 open blockchain tokens available for resale to the public  
25 after a token has been purchased by an initial buyer;

26 (7) "Financial investment", a contract, transaction,  
27 or arrangement where a person invests moneys in a common

28 enterprise and is led to expect profits solely from the  
29 efforts of a promoter or a third party;

30 (8) "Open blockchain token", a digital unit that is:

31 (a) Created:

32 a. In response to the verification or collection of a  
33 specified number of transactions relating to a digital  
34 ledger or database;

35 b. By deploying computer code to a digital ledger or  
36 database, which may include a blockchain, that allows for  
37 the creation of digital tokens or other units; or

38 c. Using a combination of the methods described under  
39 subparagraphs a. and b. of this paragraph;

40 (b) Recorded to a digital ledger or database, which  
41 may include a blockchain;

42 (c) Capable of being traded or transferred between  
43 persons without an intermediary or custodian of value; and

44 (d) Not virtual currency or a digital security;

45 (9) "Seller", a person who makes an open blockchain  
46 token available for purchase to an initial buyer;

47 (10) "Virtual currency", a digital asset that:

48 (a) Is used as a medium of exchange, unit of account,  
49 or store of value; and

50 (b) Is not recognized as legal tender by the United  
51 States government.

52 2. An open blockchain token with the following  
53 characteristics constitutes intangible personal property:

54 (1) The predominant purpose of the token is  
55 consumptive;

56 (2) The developer or seller did not market the token  
57 to the initial buyer as a financial investment; and

58 (3) At least one of the following:

59           (a) The developer or seller reasonably believed that  
60 it sold the token to the initial buyer for a consumptive  
61 purpose;

62           (b) The token has a consumptive purpose that is  
63 available at or near the time of sale and can be used at or  
64 near the time of sale for a consumptive purpose;

65           (c) The initial buyer of the token is prohibited by  
66 the developer or seller of the token from reselling the  
67 token until the token is available to be used for a  
68 consumptive purpose; or

69           (d) The developer or seller takes other reasonable  
70 precautions to prevent an initial buyer from purchasing the  
71 token as a financial investment.

72           3. Before making an open blockchain token available  
73 for sale, the developer or seller of a token, or the  
74 registered agent of the developer or seller, shall  
75 electronically file a notice of intent with the secretary of  
76 state and pay a filing fee of one thousand dollars to offset  
77 the costs of administering this section. A form shall be  
78 made available by the secretary of state for this purpose,  
79 and a secure electronic version of the form shall be  
80 conspicuously posted on the public website of the secretary  
81 of state. The notice of intent shall contain:

82           (1) The name of the person acting as a developer or  
83 seller;

84           (2) The contact information of the person or the  
85 registered agent of the person;

86           (3) Comprehensive details on the open blockchain token  
87 made available for sale; and

88           (4) Any other information as reasonably required by  
89 the secretary of state.

90           **4. A developer, seller, and the registered agent of**  
91 **these persons, if applicable, shall have a continuing duty**  
92 **to update the contact information provided on a notice of**  
93 **intent as long as the open blockchain token associated with**  
94 **the notice is actively being sold.**

          361.700. 1. Sections 361.700 to 361.727 shall be  
2 known and may be cited as the "Sale of Checks Law".

3           2. For the purposes of sections 361.700 to 361.727,  
4 the following terms mean:

5           (1) "Check", any instrument for the transmission or  
6 payment of money and shall also include any electronic means  
7 of transmitting or paying money;

8           (2) "Director", the director of the division of  
9 finance;

10          (3) "Licensee", any person duly licensed by the  
11 director pursuant to sections 361.700 to 361.727;

12          (4) "Person", any individual, partnership,  
13 association, trust or corporation;

14          (5) "Virtual currency", any type of digital  
15 representation of value that:

16           (a) Is used as a medium of exchange, unit of account,  
17 or store of value; and

18           (b) Is not recognized as legal tender by the United  
19 States government.

          361.705. 1. No person shall issue checks in this  
2 state for a consideration without first obtaining a license  
3 from the director[; provided,]. However, [that] sections  
4 361.700 to 361.727 shall not apply to:

5           (1) The receipt of money by an incorporated telegraph  
6 company at any office or agency of such company for  
7 immediate transmission by telegraph [nor to];



8           (2) Any bank, trust company, savings and loan  
9 association, or credit union[,];

10           (3) **The buying, selling, issuing, or taking custody of**  
11 **payment instruments or stored value in the form of virtual**  
12 **currency or receiving virtual currency for transmission to a**  
13 **location within or outside the United States by any means;**  
14 or

15           (4) **Any** agency of the United States government.

16           2. Any person who violates any of the provisions of  
17 sections 361.700 to 361.727 or attempts to sell or issue  
18 checks without having first obtained a license from the  
19 director shall be deemed guilty of a class A misdemeanor.

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