Legislative Analysis



ZONING OF CRYPTOCURRENCY ACTIVITIES

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House Bill 4085 as introduced Sponsor: Rep. Bryan Posthumus

1st Committee: Communications and Technology

2nd Committee: Government Operations

Complete to 11-5-25

Analysis available at

SUMMARY:

House Bill 4085 would amend the Michigan Zoning Enabling Act to provide that *digital asset mining* is a permitted use of property in an industrial zone and is not subject to special land use or conditional use approval. A local unit of government could not do either of the following:

- Impose any zoning restriction or requirement on a *digital asset mining business* that is not also imposed on a *data center* in the same zoning district.
- Apart from general sound pollution limits that apply to industrial zones, set a specific limit on decibels generated from a digital [asset] mining business.

Digital asset mining would mean using electricity to power a computer or **node** for the purpose of securing a **blockchain**.

Node would mean a computational device that contains and updates a copy of a blockchain.

Blockchain would mean data that meets both of the following:

- It is shared across a network to create a ledger of verified transactions or information among network participants linked using cryptography to maintain the integrity of the ledger and to execute other functions.
- It is distributed among network participants in an automated fashion to concurrently update network participants on the state of the ledger and any other functions.

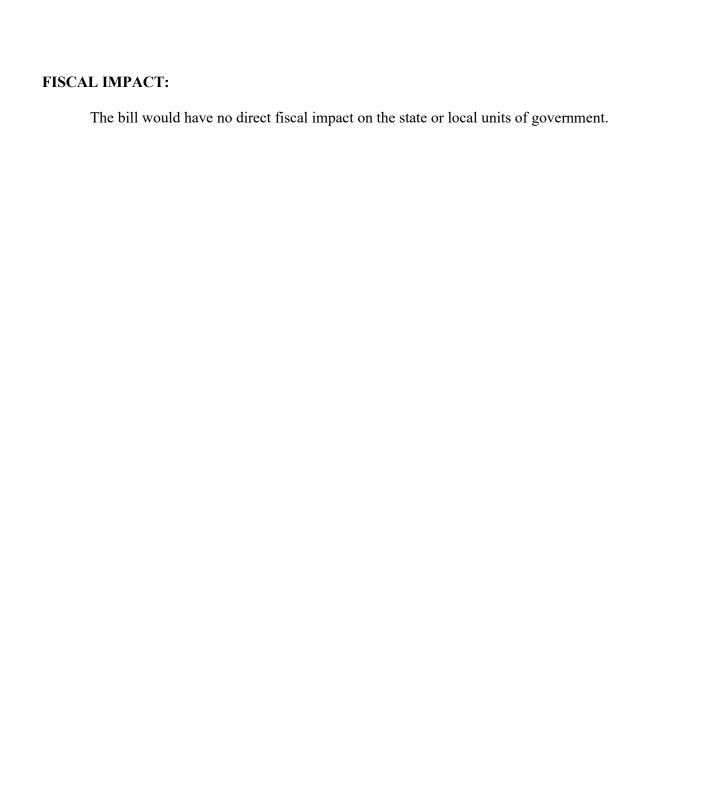
Digital asset mining business would mean a group of computers working together that consume more than one megawatt of energy for the purpose of securing a **blockchain protocol**.

Blockchain protocol would mean any executable software deployed to a blockchain composed of a source code that is publicly available and accessible, including a smart contract or any network of smart contracts.

Data center would mean a building or premises the majority of whose use is occupied by computers, telecommunications, or related equipment, including supporting equipment, where digital information is processed, transferred, and stored.

Proposed MCL 125.3515

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