

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
<http://www.legislature.mi.gov>

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

FISCAL IMPACT:

The bill would have no direct fiscal impact on the state or local units of government.

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