

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1239

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1239
1/28/2025

A BILL for an Act to create and enact a new section to chapter 11-33, a new section to chapter 13-09.1, a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter 58-03 of the North Dakota Century Code, relating to blockchain technology, protection for digital asset mining, and an exemption from a money transmitter license.

2:31 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Member Absent: Representative Christy

Discussion Topics:

- Data centers
- Cloud storage
- No greater noise ordinance
- Zoned commercial use
- Environment to innovation
- Local control
- Exempt minor, money transmitter license
- Diversify economy

2:32 p.m. Representative Nathan Toman, District 34, Mandan, ND, introduced, and testified.

2:50 p.m. Lise Kruse, Commissioner, ND Department of Financial Institutions, testified in opposition and submitted testimony #30596.

3:00 p.m. Ladd Erickson, States County Attorney, McLean County, testified in opposition.

3:12 p.m. Kory J. Peterson, League of Cities, testified in opposition and submitted testimony #30691.

3:17 p.m. Jonathan Byers, ND States Attorney Association, testified in opposition.

Additional Written Testimony:

Wade G. Enget, Montrail County State's Attorney, submitted testimony in opposition #30687. Mitch Flanagan, Planning Director, Burleigh County, submitted testimony in opposition #30760 and #30764.

Gwen Crawford, City Administrator, Valley City, ND, submitted testimony in opposition #30763.

Shelly Ventsch, New Town, ND, submitted testimony in opposition #32035.

Michele Arend, Williston, ND, submitted testimony in opposition #32160.

Charlie Sorenson, Ross, ND, submitted testimony in opposition #32181.

Kameron Hymer, Director, Williams County Development Services, submitted testimony in opposition #30587, #30588 and #30589.

Daniel Nairn, Board Member, ND Planning Association, submitted testimony in opposition #30753

3:19 p.m. Chairman Warrey closed the hearing.

Diane Lillis, Committee Clerk



January 21, 2025

RE: HB 1239

Representative Warrey and Members of the Committee:

After months of staff research, site visits to crypto-currency mining facilities and working with SRF Consulting, we proposed an amendment to our zoning ordinances allowing and regulating data centers & crypto-currency mining in Williams County. On January 2, 2024, the Williams County Board of Commissioners adopted Ordinance No. 2024-01-02 which is an Ordinance Amending the 2015 Zoning Ordinance: Adding Regulations for Data Centers.

Our ordinance allows crypto-currency mining in the Agricultural and Heavy Industrial zoning districts with a Conditional Use Permit.

While drafting this ordinance, we determined that with the rural nature of Williams County and the fact that weather, temperature, wind, etc. can drastically change sound levels, setbacks were the most appropriate way to achieve sound mitigation for a data center. Because of this, Williams County does not have a noise ordinance. Also, we do not have certified equipment or staff to measure decibel levels.

Part of the proposed bill states:

1. An individual may not be prohibited, restricted, or otherwise prevented from participating in digital asset mining in an area zoned for residential use if the individual engaging in digital asset mining complies with all county noise ordinances.

This portion is concerning, because if a county does not have a noise ordinance, a crypto-currency mining operation could potentially be placed next door to homes with no restrictions.

I strongly urge the committee to recommend denial of HB 1239.

Thank you,

Kameron Hymer
Development Services Director
701-577-4565
kameronh@co.williams.nd.us

WILLIAMS COUNTY BOARD OF COUNTY COMMISSIONERS

ORDINANCE NO. 2024-01-02

TITLE: AN ORDINANCE AMENDING 2015 ZONING ORDINANCES: ADDING REGULATIONS FOR DATA CENTERS

WHEREAS, the Williams County Board of County Commissioners (hereinafter “the Board”), pursuant to the Williams County Home Rule Charter and North Dakota Century Code Chapter 11-33 and Chapter 11-33.2, adopted the Williams County Zoning Ordinance and Subdivision Regulations on September 15, 2015, and thereafter have adopted amendments thereto, with the most recent amendments having been adopted on August 2, 2022 (hereinafter “2015 Zoning Ordinance”);

WHEREAS, the 2015 Zoning Ordinance, Article 3, Chapter 3-6, authorizes the Board from time to time on its own motion, or on the recommendation of the Williams County Planning and Zoning Commission (“PZ Commission”) to amend, supplement, repeal or revise any provision of the 2015 Zoning Ordinance;

WHEREAS, the Board directed Williams County Planning and Zoning staff to draft, or cause to have drafted, regulations for data centers within Williams County;

WHEREAS, the proposed data centers regulations were presented to the PZ Commission for consideration at its meeting held on December 21, 2023, at which time the PZ Commission recommended adoption of the proposed data center regulations as presented;

WHEREAS, at its meeting held on January 2, 2024, the Board considered the proposed data center regulations presented to it, including the PZ Commission’s recommendation to adopt the data center regulations as presented; and

WHEREAS, a motion to adopt the proposed data center regulations as presented, having been made and seconded, was submitted to a roll call vote of the elected members of the Board and passed by majority roll call vote of the Board members present.

NOW, THEREFORE, BE IT ORDAINED, by majority roll call vote of the Williams County Board of County Commissioners present at the meeting on January 2, 2024, the following data center regulations are hereby adopted as amendments to the Williams County Zoning Ordinance and Subdivision Regulations adopted on September 15, 2015, as amended:

1. **Article 2, Chapter 2-8, Section 2-8-3(3)**: Section 2-8-3(3) (“Conditional Industrial Uses”) shall be amended to add a new subsection for Data centers as an additional Conditional Industrial Use under Section 2-8-3(3) as follows:

w. Data centers (See Ch. 6-16 for standards)

2. **Article 5, Chapter 5-3(14), Table 5-1:** Table 5-1 (“Parking and Loading – Loading Areas - Required Off Street Parking – Warehousing / Indoor Storage”) shall be amended to add Data centers as a new use requiring 1 per employee on shift, to be inserted in Table 5-1 after “Liquid, bulk gas, explosives and other hazardous material storage” as follows:

Data centers

3. **Article 6:** Article 6 (“Performance Standards for Specific Land Uses”) shall be amended to add a new chapter, identified as Chapter 6-16, to add Data Centers as an additional specific land use under Article 6 as follows:

Chapter 6-16: Data Centers

6-16-1 Purpose

Data centers are intensive land uses that can consume large quantities of water and electricity. Buildings often include industrial HVAC systems or water cooling/storage systems to prevent computer servers from overheating. Such systems commonly generate continuous sound that can spread across property lines. The low-frequency sounds emitted by data centers consist of long wavelengths that are not easily absorbed by the air or blocked by a sound barrier. Long-term exposure to noise impacts the health of Williams County residents. This Chapter is adopted to allow data centers in appropriate locations in Williams County and minimize the potential off-site impacts of development to protect public health, safety, and the general welfare of Williams County residents.

6-16-2 Permitting

The installation or construction of a data center, or any modification to a lawfully existing data center beyond routine maintenance, requires a Conditional Use Permit. Installation or construction of a data center, or any modifications to a lawfully existing data center beyond routine maintenance, also requires a Williams County Building Permit obtained from the County Building Division. Data centers may only be permitted in the Heavy Industrial (HI) District with a Conditional Use Permit.

6-12-3 Exemption

Data centers which are solely located on an oil and gas well site or underground gathering pipeline line facility and which are subject to the exclusive jurisdiction of the North Dakota Industrial Commission pursuant to N.D.C.C. Chapter 38-08, or any successor statute, are exempt from the provisions of this Chapter 6-16.

6-16-3 Application Requirements

The application for the installation or construction a data center, or for modifications to a lawfully existing data center beyond routine maintenance, shall follow the application procedures for Conditional Use Permits (Ch. 3-2) and any other procedures

as may be required by this Ordinance for data centers, such as zoning map amendments, platting, or variances. In addition, applications shall include the following:

1. Applicant name(s) and contact information. The applicant must also identify on the application, if different than the applicant, the record owner of the property, the occupant or lessee of the property, and the operator of the data center.
2. A narrative describing the proposed project, including a description of how the project meets market demand, the facility's processing capacity, and the facility's anticipated water and electricity needs.
3. A study prepared by an acoustical engineer that describes the anticipated noise level of the facility and any proposed mitigation efforts such as sound walls, baffles, ventilation silencers, etc.
4. A site plan, drawn to scale, showing the location and dimensions of all existing and proposed structures, screening, fencing, lighting, electrical connections, property lines, and roadway access.
5. A map of the project area showing all single-family and multi-family dwellings, schools, churches, synagogues, and other similar religious institution or structures, and public parks located within one (1) mile of the exterior boundaries of the property where the data center will be located.
6. All application fees, including the required fees for a Conditional Use Permit and building permits, in the amounts determined by the Board of County Commissioners.
7. Copies of signed permits or other documentation that indicates compliance with all applicable State and Federal laws, statutes, rules, regulatory standards, including but not limited to the North Dakota State Electrical Board and the North Dakota State Electrical Code, and any amendments thereto.
8. Copy of the signed electrical power purchase agreement.
9. Financial security for the following:
 - a. Financial security for maintenance of the data center, as fully constructed and operational or, if the project only involves modifications to a lawfully existing data center beyond routine maintenance as permitted by this Ordinance, financial security for maintenance of the lawfully existing data center as modified. The financial security shall be in the amount of 125% of the estimated cost to maintain the data center, as fully constructed and operational, or as modified, as determined by the applicant's engineer, who must be a State of North Dakota registered engineer, with such estimated costs subject to review and approval by the Williams County Engineer; and

- b. Financial security for reclamation and restoration of any data center and the property on which the data center is located or, if the project only involves modifications to a lawfully existing data center beyond routine maintenance as permitted by this Ordinance, financial security for reclamation and restoration of the property on which the data center as modified is located. Reclamation and restoration shall include, but is not limited to, the removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and the removal and disposal of all other facilities, structures, equipment, and materials on or under the property. The financial security shall be in the amount of 125% of the estimated cost to reclaim and restore property on which the data center, or the data center as modified, is located as determined by the applicant's engineer, who must be a State of North Dakota registered engineer, with such estimated costs subject to review and approval of the Williams County Engineer.

Any financial security provided by the applicant which is required by this Chapter shall be subject to review and approval by the County and be in the form of one or more of the following: (i) an irrevocable letter of credit issued by an FDIC insured financial institution authorized to do business in the State of North Dakota to be effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and provides for annual automatic renewals continuing to the date when full reclamation and restoration is complete as approved by the County; (ii) a surety bond which is effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and provides for annual automatic renewals continuing to the date when full reclamation and restoration is complete as approved by the County; and/or (iii) cash in escrow to be held in trust by Williams County effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and continuing to the date when full reclamation and restoration is complete as approved by the County.

The financial security required above shall be provided to Williams County prior to commencement of any work to install and/or construct the data center, or to modify a lawfully existing data center beyond routine maintenance, but no later than the date determined by the Board of County Commissioners in approving the data center or in approving the modifications to a lawfully existing data center beyond routine maintenance.

10. Other relevant studies, reports, certifications, or approvals as may be required by Williams County to ensure compliance with this Chapter and this Ordinance.

6-16-4 Design Standards

1. **Separation from sensitive properties.** Data centers shall be set back at least one (1) mile from all single-family and multi-family dwellings, schools, churches, synagogues, and other similar religious institution or structures, and

public parks as measured from the nearest property line of any of these sensitive properties to the data center's exterior property lines.

2. **Separation from other data centers.** New data centers shall be set back at least three (3) miles from any lawfully existing data center.
3. **Height.** All buildings, structures, and appurtenances on the property where the data center will be located shall meet the height requirements of the Heavy Industrial (HI) district in this Ordinance.
4. **Electrical wiring.** All electrical wiring shall be buried underground, except where wiring is brought together for interconnection to system components or the local utility power grid, provided that all electrical wiring shall comply with the North Dakota State Electrical Board, and any of its rules and regulations.
5. **Security fencing.** A secured chain link or solid wood or masonry fence at least six (6) feet in height shall be constructed and maintained around the entire perimeter of the facility to prevent unauthorized entry onto the property or into the facility. Any fencing shall comply with Section 5-2-8 of the Development Standards in this Ordinance.
6. **Buffering and screening.** Landscaped buffers shall be required around the entire perimeter of the property where the data center is located in accordance with the requirements of Section 5-5-6 of the Landscaping Standards in this Ordinance.
7. **Exterior Lighting Standards.** Exterior lighting for the data center shall comply with Section 5-2-7 of the Development Standards in this Ordinance.
8. **Accessory structures and appurtenances.** All accessory structures or appurtenances, including those constructed for noise mitigation, shall be designed in a manner that is complementary with the primary building(s) and shall be finished in a non-obtrusive color.
9. **Roads.** All adjacent exterior access roads serving a data center shall conform to Sections 5-2-1 and 5-2-3 of the Development Standards in this Ordinance. Exterior road construction or improvements shall be subject to approval by the Williams County Highway Superintendent or their designee. A road maintenance agreement with any government entity having jurisdiction over the adjacent exterior access roads shall be required during installation or construction of the data center, or during modification of a lawfully existing data center beyond routine maintenance. All interior roads serving the data center shall be subject to review by the Williams County Fire Inspector to ensure safe and adequate access by emergency services personnel.
10. **Storm Drainage, Erosion Control, Grading, and Drainage.** The data center shall comply with the storm drainage, erosion control, grading, and drainage

requirements in Sections 5-1-8, 5-1-9, and 5-1-10 of the Development Standards in this Ordinance.

11. **Development Agreement.** The applicant and, if different than the applicant, the record owner of the property, the occupant or lessee of the property, and/or the operator of the data center and of the property on which the data center will be located, as determined appropriate by the County, must sign a development agreement which shall include provisions related to, but are not limited to, the posting and use of financial security, exterior and interior road construction or improvement, road maintenance, improvements related to storm drainage, erosion control, grading, and drainage, reclamation and restoration, and/or any other condition imposed by this Chapter, this Ordinance, or the Board of County Commissioners in approving installation of construction of the data center or modifications to a lawfully existing data center beyond routine maintenance.

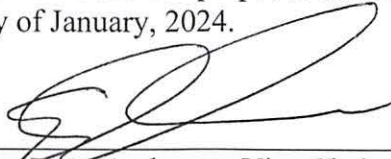
6-16-5 Abandonment or Ceasing Operations

It is the responsibility of the original applicant, or if different, the record owner of the property, the occupant or lessee of the property, and the operator of the data center to notify Williams County in writing, at least six (6) months in advance, of the intent to abandon or cease operations of the data center. Any data center that is not operated for a continuous period of six (6) months shall automatically be considered abandoned, and the County may require the original applicant, or if different, the record owner of the property, the occupant or lessee of the property, and the operator of the data center to reclaim and restore the property within ninety (90) days after written notice to reclaim and restore the property from the County. Any such reclamation and restoration shall include, but is not limited to, removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and removal and disposal of all other facilities, structures, equipment, and materials on or under the property. If the property is not fully reclaimed and restored as required by this Chapter and/or any Development Agreement within ninety (90) days after written notice from the County, the County may reclaim and restore the property, or cause the property to be reclaimed and restored, including, but not limited to, removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and removal and disposal of all other facilities, structures, equipment, and materials on or under the property and recover costs directly from the original applicant, or if different, the record owner of the property, the occupant or lessee of the property, and/or the operator of the data center. The County may also, in its discretion, recover such costs, by access to and use of the financial security provided and on file for the data center, or by lien or special assessment, or any other remedy, authorized by law or the Development Agreement entered into under this Chapter. Nothing in this Chapter is intended to impose, or imposes, a mandatory obligation on the County to reclaim and restore the property.

4. **Article 7:** Article 7 (“Definitions”) shall be amended to add “Data Center” as a word/phrase to be defined as follows:

Data center – A building, structure, complex or group of buildings and/or structures, facility, or dedicated space within a building, structure, complex, or facility that houses IT infrastructure, including, but not limited to, computer systems, networks, servers, applications, appliances, services, and other associated components or facilities used for the remote storage, processing, or transmission of digital data associated with those computer systems, networks, servers, applications, appliances, services, and other associated components or facilities. Associated components and facilities may also include air handlers, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support operations. This definition also includes cryptocurrency mining, which involves the use of blockchain technology to verify and secure cryptocurrency transactions, as the terms “cryptocurrency”, “cryptocurrency mining”, “blockchain”, and “blockchain technology” are defined by any applicable State law or, if no applicable State law, by generally accepted industry standards.

5. **Incorporation of Amendments into 2015 Zoning Ordinance.** The amendments adopted as set forth in this Ordinance shall be immediately incorporated into the text of the Williams County Zoning Ordinance and Subdivision Regulations effective September 15, 2015, as amended.
6. **Effective Date.** This Ordinance and the proposed amendments as set forth herein shall be effective as of the 2nd day of January, 2024.


By: Beau Anderson, Vice Chairman
Williams County Board of County Commissioners

Dated: January 2 2024

ATTEST:


Brenda Johnson, Williams County Deputy Auditor

Dated: January 2 2024

First Publication: January 5, 2024

Second Publication: January 12, 2024

**919557**

WILLIAMS COUNTY, ND

Page: 1 of 4

9/4/2024 8:37 AM OR

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WILLIAMS COUNTY BOARD OF COUNTY COMMISSIONERS

ORDINANCE NO. 2024-08-20

TITLE: AN ORDINANCE AMENDING 2015 ZONING ORDINANCES TO ADD DATA CENTERS TO OTHER CONDITIONAL USES IN AGRICULTURAL DISTRICT AND TO AMEND TRANSFERABILITY OF CONDITIONAL USE PERMITS FOR ADDITIONAL SINGLE FAMILY RESIDENTIAL DWELLINGS

WHEREAS, the Williams County Board of County Commissioners (“the Board”), pursuant to the Williams County Home Rule Charter and North Dakota Century Code Chapter 11-33 and Chapter 11-33.2, adopted the Williams County Zoning Ordinance and Subdivision Regulations on September 15, 2015, and thereafter have adopted amendments thereto, with the most recent amendments having been adopted on January 2, 2024 (“2015 Zoning Ordinance”);

WHEREAS, the 2015 Zoning Ordinance, Article 3, Chapter 3-6, authorizes the Board from time to time on its own motion, or on the recommendation of the Williams County Planning and Zoning Commission (“PZ Commission”), to amend, supplement, repeal or revise any provision of the 2015 Zoning Ordinance;

WHEREAS, proposed amendments to the 2015 Zoning Ordinances to add Data Centers as an “Other Conditional Use” for the Agricultural District and to amend the transferability provisions of the 2015 Zoning Ordinance to allow for Conditional Use Permits for additional single family residential dwellings to run with the property were presented to the PZ Commission for consideration at its meeting held on August 15, 2024, at which time the PZ Commission recommended adoption of the proposed amendments as presented and set forth in this Ordinance;

WHEREAS, at its meeting held on August 20, 2024, the Board considered the proposed amendments presented to it as set forth in this Ordinance, including the PZ Commission’s recommendation to adopt the amendments; and

WHEREAS, a motion to adopt the proposed amendments as set forth in this Ordinance, having been made and seconded, was submitted to a roll call vote of the elected members of the Board and passed by majority roll call vote of the Board members present.



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WILLIAMS COUNTY, ND

Page: 2 of 4
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NOW, THEREFORE, BE IT ORDAINED, by majority roll call vote of the Williams County Board of County Commissioners present at the meeting on August 20, 2024, the following amendments as set forth in this Ordinance are hereby adopted as amendments to the Williams County Zoning Ordinance and Subdivision Regulations adopted on September 15, 2015, as amended:

1. **Article 2, Chapter 2-2, Section 2-2-3(6)**: Section 2-2-3(6) ("Other Conditional Uses") shall be amended to add a new subsection for Data Centers as an additional conditional use as follows:

6. Other Conditional Uses

The following conditional uses are allowed in Agriculture District subject to Chapter 3.2:

i. Data centers (Ch. 6-16)

2. **Article 3, Chapter 3-2, Section 3-2-3**: Section 3-2-3 ("Transferability") for Conditional Uses Permits shall be amended as follows:
 1. A CUP issued for more than one (1) single family dwelling, mobile home, or manufactured home on a single parcel of land shall run with the parcel and shall automatically transfer with any change in ownership of that parcel. Any CUP issued prior to the effective date of this Ordinance for more than one (1) single family dwelling, mobile home, or manufactured home on a single parcel of land shall run with the parcel and shall automatically transfer with any change in ownership of that parcel.
 2. Except as stated in Section 3-2-3(1), the following shall apply to the transfer of CUPs:
 - a. A CUP is a non-transferable permit that is issued to a specific owner or entity for a single parcel of land and is not transferable from one owner or entity to another owner or entity.
 - b. If ownership of a parcel of land changes, except as stated in Section 3-2-3(2)(c), the CUP must be reevaluated by Planning and Zoning Division, Planning and Zoning Commission, and Board of County Commissioners for approval.



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WILLIAMS COUNTY, ND

Page: 3 of 4
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- c. If ownership of a parcel of land changes between relatives or business partners, the Director of Development Services shall evaluate and process the request for the transfer of the CUP administratively.
 - d. A CUP is not transferable from one parcel of land to another parcel.
3. **Incorporation of Amendments into 2015 Zoning Ordinance.** The amendments adopted as set forth in this Ordinance shall be immediately incorporated into the text of the Williams County Zoning Ordinance and Subdivision Regulations effective September 15, 2015, as amended.
4. **Effective Date.** This Ordinance and the proposed amendments as set forth herein shall be effective as of the 20th day of August, 2024.

By: Steve Kemp, Chairman
Williams County Board of County Commissioners

Dated: August 20, 2024

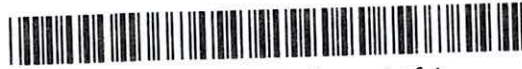
ATTEST:

Beth M. Innis, Williams County Auditor

Dated: August 20, 2024

First Publication: August 2, 2024

Second Publication: August 9, 2024



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WILLIAMS COUNTY, ND

Page: 4 of 4

9/4/2024 8:37 AM OR

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COUNTY RECORDER, WILLIAMS COUNTY, ND

9/4/2024 8:37 AM

I certify that this instrument was filed and recorded

Patti Ogurchak, County Recorder

by Terri Benkison Deputy **919557**



MEMORANDUM

DATE: January 22, 2025

TO: House Industry, Business and Labor Committee

FROM: Lise Kruse, Commissioner

SUBJECT: Testimony in Opposition of House Bill No. 1239

Chairman Warrey and members of the House Industry, Business and Labor Committee, thank you for the opportunity to testify in opposition of House Bill No. 1239.

Our department oversees money transmitters, which include many crypto companies. The money transmitter law is a model law that this group approved two years ago. In the development of the model law, the industry was consulted, including crypto currency companies, and they were in agreement with the final version of the model law. Even before this model law was adopted, many crypto companies were requesting department licensing, even if it was not required. Licensing and oversight help the industry to communicate that they are indeed regulated, it provides their

customers with a certain comfort level, and also helps the companies with their other business relationships in the financial services industry.

The department is in opposition to Section 2 of the Bill. It is unnecessary to exempt miners since the specific activity of mining does not meet the definition of money transmission. Miners that just mine are already exempt. If the concern is that we are in some way restricting mining or regulating miners, that is not valid. North Dakota has welcomed miners, and miners are not regulated under the money transmitter statute unless they also conduct money transmission in addition to their mining business. This exemption in section 2 creates a loophole, if any of our crypto companies that transact large amounts of transmission business decide to mine a few crypto coins as a side business, they would automatically be exempt from money transmission laws and consumers would lose protections. If the crypto industry wants to be treated the same as other financial companies, they should not get to operate outside of a regulatory framework, a framework they had a voice in drafting.

I also strongly oppose any exemption due to the amount of fraud that unfortunately happens in this arena. The FBI estimated losses related to crypto of more than \$5.6 billion in 2023, which was a 45% increase from the year prior. We need to protect our consumers as much as we can, whether

they transact with fiat currency or crypto currency. We have revoked several licenses and money has been returned to North Dakota citizens. A few large crypto companies in recent years have garnered national news due to fraud and resulting imprisonment of their owners. With this model law, we were able to have a seat at the table on behalf of North Dakota citizens.

Section 4 of the Bill addresses the prohibition on use and testing of central bank digital currency. Any use of a central bank digital currency in the United States must be approved by Congress. Although there is no such plan as of now, if the federal government approved a central digital bank currency, our banks, credit unions and trust companies would likely end up with this currency on the books. We need to make sure our department is not prevented from regulating those activities, where we are giving the authority to the federal government for oversight.

Section 4 also addresses the permitted uses of digital assets. It does not allow a governing authority to intervene when it comes to a business accepting digital assets. Banks and trust companies under our supervision do sometimes end up holding digital assets for their trust clients, and we need to have the ability to work with trustees that oversee crypto as well as any other asset type. This section of the Bill conflicts with our duties outlined

in Title 6, where it establishes that trust assets, crypto or otherwise, need oversight.

Mr. Chairman, thank you for the opportunity to provide this testimony. I would be happy to answer any questions the Committee may have.

To: **Hon. Chairman Warrey**
Hon. Vice-Chair Johnson
Hon. Vice-Chair Ostlie
Members of the House Industry, Business and Labor Committee

From: **Wade G. Enget, Mountrail County State's Attorney**

Re: **HB 1239**

I am submitting this testimony in OPPOSITION to HB 1239 as it pertains to N.D.C.C. Chapter 11-33. I will summarize the reasons for my opposition:

- 1) I am currently serving as the Mountrail County State's Attorney, having been in that position since November 1, 1985. During that time, I have advised both the Mountrail County Planning and Zoning Board and the Mountrail County Commissioners, and have also assisted in the following areas:
 - a) Interpreting the existing Mountrail County Comprehensive Plan and the Mountrail County Zoning Ordinance (originally adopted in 1982);
 - b) Drafting and helping to implement the Mountrail County Subdivision Regulation in 2016; and,
 - c) Drafting the revision to and implementation of the Mountrail County Comprehensive Plan and Land Development Code (Zoning Ordinance) during the period of time from 2019 through 2022, with the stated purpose being: "to preserve the agricultural use of the land and promote the health, safety, morals, general welfare, and orderly development of Mountrail County".
 - d) In all of these endeavors, Mountrail County, prior to implementing these regulations, have held listening/inputs sessions with the residents of Mountrail County, members of the business community, federal government officials, and leaders of industry to best craft a plan that takes into account the needs of all, but staying true to our mission statement.
- 2) The expressed premise of HB 1239 is "***Protection of Digital Mining***". My question is this: protection from what? It appears that the protection that is being sought is protection from the concerns of the people who will have to live next door to the digital mining facility. If HB 1239 is passed in its current form and the digital mining facility is to be located in a commercially zoned area, the County Planning and Zoning Board would be prohibited from making any noise restrictions on the digital mining facility. What if the commercial area abuts a residential area? No noise limit would be allowed under HB 1213. That is just not right. Even current laws relating to confined animal feeding operations in North Dakota allow for the imposition and enforcement of setbacks for odor (see N.D.C.C. §23.1-06-15).
- 3) Much has been said about North Dakotans taking a stand against federal mandates or policies. In this case, it appears that a few desire to set a statewide mandate (HB1213) that doesn't allow for local input regarding the use of adjacent property that may adversely effect

their enjoyment of their home or real property, or that possibly would devalue of their home or property due to the placement of the Digital Mining facility next door.

- 4) Please review the current civil litigation in Williams County, **Corey Seidel, et al, v. Atlas Power Holdings (ND) LLC**, case #53-2023-CR-01519, in which a data mining facility allegedly has caused loss of enjoyment and/or loss of property value to those residents living next to that facility.

Thank you for your time, and again I would request a **DO NOT PASS** recommendation from this Committee on HB 1239.

Wade G. Enget (04165)
Mountrail County State's Attorney
101 N. Main St.
P.O. Box 69
Stanley, ND 58784
(701)628-2965



January 22, 2025

House Industry, Business and Labor Committee

HB 1239

Representative Jonathan Warrey, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in opposition to HB 1239. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League has reviewed this bill and has concerns with language in sections 1 and 3. There is reference to residential data mining along with remarks about set noise levels requirements.

The League feels that any data mining operations should be performed away from residentially zoned properties. Data mining requires a large amount of power compared to a normal residential house. Most city residential areas are not equipped to supply the amount of power needed on a consistent basis to operate a data mining facility.

Many cities may not have a noise ordinance currently on the books or do not have the devices and/or training to determine the proper level to meet the ordinance criteria. This places another undue financial burden on cities to possibly have to monitor noise concerns with their residential areas.

Crypto-currency mining facilities should be placed in areas zoned for these types of operations. These operations could include commercial or light/heavy industrial zoned areas with some form of a setback to allow for proper noise abatement.

There is already a housing crisis within the State of North Dakota. There are concerns with data mining operations being used inside a residential home that removes that home from being used as a dwelling for residents.

The League understands the benefits to North Dakota surrounding this newer technology but feels the placement of such facilities should be in a properly zoned area that doesn't include residential properties for all the reasons listed above.

The League of Cities would respectively encourage a "Do Not Pass" on this bill.

Thank you.

Kory Peterson



**NORTH DAKOTA
PLANNING ASSOCIATION**
Serving North Dakota since 1973

NDPA Board

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January 22, 2025

Committee Hearing: **HB1239**

Industry, Business and Labor

Representative Warrey and Committee Members,

The North Dakota Planning Association respectfully requests a DO NOT PASS recommendation on House Bill 1239.

Data centers are an important industry in North Dakota and our members support the growth of these land uses within the context of zoning authority already granted to Cities, Counties and Townships. House Bill 1239 defines a specific type of data center, related to blockchain verification for digital assets, and appears to preempt local zoning restrictions, including in all residential zoning districts, for this one type of business.

By the text of the bill, digital asset mining must be allowed in all residential areas, as long as noise ordinances are adhered to. However, noise is not the only concern zoning is intended to alleviate. Residents may object to the construction of a warehouse full of computers, with typical security lighting and fencing, in the middle of their own neighborhoods. There are also concerns about fire hazard. In 2019, a digital asset mining operation caused a large warehouse fire in Grand Forks.

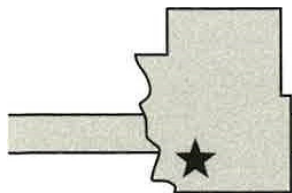
Secondly, noise ordinances are reactive, while zoning is intended to be proactive. Noise violations cannot occur until after an entire facility is constructed and operational, which creates a challenge for the data center operator and the political subdivision alike. Through zoning, localities intend to separate uses that are known to create nuisances to prevent conflict from occurring in advance.

Finally, this bill is overly specific in application. Why should a data center verifying blockchains be treated differently than an identical data center supporting, for example, artificial intelligence applications? There is no difference in the impact on the public or economic development potential to warrant differential treatment.

Cities, Counties, and Townships should retain their ability to apply reasonable limitations through zoning on digital asset mining land uses, similar to what is applied to all other commercial and industrial land uses. Please recommend DO NOT PASS for House Bill 1239.

Thank you,

North Dakota Planning Association Board
Rachel Laqua, President



STATE OF NORTH DAKOTA
County of Burleigh

221 NORTH 5TH STREET • P.O. BOX 5518 • BISMARCK, NORTH DAKOTA 58506-5518

January 22, 2025

RE: HB 1239

Representative Warrey and Members of the Committee:

In 2023, Burleigh County began to review data centers and crypto-currency mining facilities in Dickey, Stutsman and Williams Counties to consider amending our zoning ordinances to allow these type facilities within Burleigh County's jurisdiction. In August, October and November 2024, the Burleigh County Planning Commission held public hearings on the Draft Ordinance to amend the 2014 Zoning Ordinances by adding Special Use Permits for Data Centers. We also held 2 stakeholder meetings and 1 focus group meeting on the Data Center ordinance during this time.

With a Special Use Permit, our draft ordinance would allow crypto-currency mining in the Agricultural and Industrial zoning districts.

Weather in North Dakota can change sound levels, whereby causing a sound ordinance to be difficult if not impossible to enforce. We would have to rely on certified audiologists to verify if sound levels are appropriate- after the fact from a complaint. In the draft ordinance, pro-active setbacks are a more appropriate way to achieve sound mitigation.

Part of the proposed bill is focused on blockchain technology, all Data Centers expend computational resources, why are blockchain operations are being separated?

Without local ordinances to protect the life safety, health and welfare of citizens of Burleigh County, we will lack the very protection or support that our ordinances provide.

I strongly urge the committee to recommend denial and DO NOT PASS for HB 1239.

Thank you,

Mitch Flanagan,
Director of Planning Department, Burleigh County

**Testimony in Opposition of
House Bill 1239
House Industry, Business and Labor Committee**

Good morning, Chairman Warrey, Members of the House Industry, Business and Labor Committee, my name is Gwen Crawford. I am the City Administrator of Valley City, North Dakota and I come here today to express my concerns with HB 1239.

Valley City has concerns with the language in sections 1 through 3 of the bill. Specifically, this bill would ban a city from restricting bit coin mining operations within the city, particularly in residential areas, except in terms of noise restriction. Valley City has concerns both in terms of zoning considerations and local control.

Bit coin mining operations are large users of electricity. Even a small mining operation in a single site could use 1 megawatt (MW) or more. For comparison, Valley City's peak electric use for the entire city is 23 MW. When looking at where such an operation may be located within a city, we must defer to local zoning ordinances and the infrastructure in place.

City zoning is not just about how the buildings or the area are used, but also are reflective of the utility infrastructure in the area. Most city residential areas do not have the existing infrastructure to serve a large power user in a residential area. The utility infrastructure, particularly the electric distribution system, was built to handle lower load usage. Putting large electric users like bit coin miners in residential areas, or other areas of the city without that level of utility infrastructure, would place a higher demand on existing utility lines. As a result, the municipal electric utility must then look at upgrading the infrastructure to support this large electric use. Upgrading distribution lines, distribution transformers, circuit breakers, switches capacitor banks, voltage regulators and other equipment is costly. Just for a frame of reference, distribution transformers alone have increased significantly in the last few years. Nationally, some utilities saw transformer prices increase by 400 percent or more in the first few years of the 2020s. Since the 2020s, the city has faced a 4- to 5-fold increase in the cost of transformers over the past four years, with lead times now stretching to 12-24 months. To accommodate future growth, the city must maintain a supply of transformers to meet demand. However, this represents a significant financial burden to keep in inventory. A build

out by a city municipal utility to serve these large electric users has the potential to lead higher utility bills for other customers. Additionally, if there is not sufficient infrastructure to serve these users, then service disruptions could happen not just for the bit coin miner, but also for the other customers.

In short, taking away a city's ability to restrict development in certain areas would put other ratepayers at risk for higher bills and service interruptions. While Valley City is not opposed to bit coin miners, they need to be placed in areas that can best support their operations.

The second concern is that sections 1 to 3 undermine local control by essentially revoking zoning controls from local governments.

Changing zoning from being a locally-determined issue to a state level policy decision is a very significant policy change. Local governmental units exist to serve the citizens of the community and to optimize community benefits. Valley City's zoning regulations have clearly designated purposes of providing for residential uses and preventing incompatible uses from being located in the residential zones. Permitted uses do not include anything like commercial operations. Allowing data mining operations in residential neighborhoods begs the question about other potential non-residential uses, and leads to the deterioration of neighborhoods and reduction in people's property values. Cities are governed and operated by our own local citizens. This "one size fits all" approach to bit coin mining doesn't adequately account for differences between cities, neighborhoods or infrastructure, and would result in costly unintended consequences to other citizens within the community.

Therefore, I respectfully ask for a **"Do Not Pass"** recommendation on HB 1239. Thank you for the opportunity to comment on HB 1239 and I would be willing to answer any questions.

ORDINANCE 24-0-----**AN ORDINANCE TO AMEND AND RE-ENACT ARTICLE 8 OF THE 1972 AMENDED ZONING ORDINANCE OF BURLEIGH COUNTY, NORTH DAKOTA RELATING TO SECTION 30 DATA CENTERS**

Section 1. **Amendment** Article 8 of the Zoning Ordinance is hereby amended and re-enacted as follows:

SECTION 30 Data Center AI Conversion Facilities

This section is adopted to allow data centers/AI conversion facilities within Burleigh County and to minimize the potential off-site impacts of development and reduce long-term exposure that may impact the public safety, health and the general welfare of Burleigh County residents.

DEFINITIONS

The following words, terms and phrases, when used in this Article and Section, shall have the meaning provided herein, except where the context clearly indicates otherwise:

1. **Data Center**- a commercial /industrial building, structure, complex or group of buildings and/or structures, facility, or dedicated space within a building, structure, complex, or facility that houses IT infrastructure, including, but not limited to, computer systems, networks, servers and other associated components or facilities used for the remote storage, processing, or transmission of digital data associated with those computer systems, networks, servers, applications, appliances, services, and other associated components or facilities. Facilities may also include air handlers, water cooling and storage, utility substations to support operations.
2. **Data Center/ AI Conversion Facility**- a data center that is converted and used to support artificial intelligence
3. **Cryptocurrency**- a type of decentralized digital currency that investors can buy and sell along the blockchain. Unlike banknotes or minted coins that have a tangible physical form, cryptocurrencies can only be accessed using computers and other electronic devices.
4. **Blockchain**- a digital record of all the transactions involving cryptocurrency. Copies of the blockchain are stored and maintained by computers around the world.

I. APPLICABILITY

These regulations are for Data Center Facilities on properties and structures under the jurisdiction of the Burleigh County Zoning Ordinance. The installation or construction of a data center, or any modification to a lawfully existing data center beyond routine maintenance, requires a Special Use Permit and also requires a Burleigh County Building

Permit obtained from the Burleigh County Building, Planning and Zoning Department.
Data centers may only be permitted in an Industrial (I) District with a Special Use Permit.

1. Application Requirements

The application for the installation or construction of a data center, or for modifications to a lawfully existing data center beyond routine maintenance, shall follow the application procedures for Special Use Permits Article 8 and any other procedures as may be required by this Ordinance for data centers, such as zoning map amendments, platting, or variances. In addition, applications shall include the following:

- a. Applicant name(s) and contact information. The applicant must also identify on the application, the owner/owners of record for the property, the occupant or lessee of the property, and the operator of the data center.
- b. A description of the proposed project, including a description of how the project meets market demand, the facility's processing capacity, and the facility's anticipated water and electricity needs.
- c. A study prepared by an acoustical engineer that describes the anticipated noise level of the facility and any proposed mitigation efforts such as sound walls, baffles, ventilation silencers, etc.
- d. A site plan, drawn to scale, showing the location and dimensions of all existing and proposed structures, screening, fencing, lighting, electrical connections, property lines, and roadway access.
- e. A map of the project area showing all single-family and multi-family dwellings, schools, churches, synagogues, and other similar religious institution or structures, and public parks located within one (1) mile of the exterior boundaries of the property where the data center will be located.
- f. Installation or construction of a data center, or any modifications to a lawfully existing data center beyond routine maintenance, also requires a building permit obtained from Burleigh County Building Department.
- g. Data centers may only be permitted in an I- Industrial District with a Special Use Permit.
- h. All application fees, including the required fees for a Special Use Permit and building permits, in the amounts determined by the Board of County Commissioners.
- i. Copies of signed permits or other documentation that indicates compliance with all applicable State and Federal laws, statutes, rules, regulatory standards, including but not limited to the North Dakota State Electrical Board.
- j. Copy of the signed electrical power purchase agreement.
- k. Financial security for the following:
 - i. Financial security for maintenance of the data center, as fully constructed and operational or, if the project only involves modifications to a lawfully existing data center beyond routine maintenance as permitted by this Ordinance, financial security for maintenance of the lawfully existing data

center as modified. The financial security shall be in the amount of 125% of the estimated cost to maintain the data center, as fully constructed and operational, or as modified, as determined by the applicant's ND State registered engineer, with such estimated costs subject to review and approval by the Burleigh County Building Department and

- ii. Financial security for reclamation and restoration of any data center and the property on which the data center is located or, if the project only involves modifications to a lawfully existing data center beyond routine maintenance as permitted by this Ordinance, financial security for reclamation and restoration of the property on which the data center as modified is located. Reclamation and restoration shall include, but is not limited to, the removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and the removal and disposal of all other facilities, structures, equipment, and materials on or under the property. The financial security shall be in the amount of 125% of the estimated cost to reclaim and restore property on which the data center, or the data center as modified, is located as determined by the applicant's ND State registered engineer, with such estimated costs subject to review and approval of the Burleigh County Building Department. Any financial security provided by the applicant which is required by this Chapter shall be subject to review and approval by the County and be in the form of one or more of the following:
 - iii. An irrevocable letter of credit issued by an FDIC insured financial institution authorized to do business in the State of North Dakota to be effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and provides for annual automatic renewals continuing to the date when full reclamation and restoration is complete as approved by the County;
 - iv. A surety bond which is effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and provides for annual automatic renewals continuing to the date when full reclamation and restoration is complete as approved by the County; and/or;
 - i. Cash in escrow to be held in trust by Burleigh County effective beginning on the date that installation and/or construction of, or the approved modifications to, the data center start and continuing to the date when full reclamation and restoration is complete as approved by the County. The financial security required above shall be provided to Burleigh County prior to commencement of any work to install and/or construct the data center, or to modify a lawfully existing data center beyond routine maintenance, but no later than the date determined by the Board of County Commissioners in approving the data center or in approving the modifications to a lawfully existing data center beyond routine maintenance.

- I. Other relevant studies, reports, certifications, or approvals as may be required by the County to ensure compliance with this Chapter and this Ordinance.

II. Prohibitions:

The County prohibits data center facilities located within:

- a. All Floodplain Districts and Designated SFHA Areas.

III. Design Standards

1. Data centers shall be set back at least one half (1/2) mile to all single-family and multi-family dwellings, schools, churches, synagogues, and other similar religious institution or structures, and public parks as measured from the nearest property line of any of these sensitive properties to the data center's exterior property lines.
2. Height. All buildings, structures, and appurtenances on the property where the data center will be located shall meet the height requirements of the Industrial I District in this Ordinance.
3. Electrical wiring. All electrical wiring shall be buried underground, except where wiring is brought together for interconnection to system components or the local utility power grid, provided that all electrical wiring shall comply with the North Dakota State Electrical Board, and any of its rules and regulations.
4. Written verification is submitted from the utility provider that sufficient capacity will be available to meet anticipated needs for electrical power.
5. Security fencing. A secured chain link or solid wood or masonry fence at least six (6) feet in height shall be constructed and maintained around the entire perimeter of the facility to prevent unauthorized entry onto the property or into the facility. Any fencing shall comply with the Development Standards in this Ordinance.
6. Buffering and screening. Landscaped buffers shall be required around the entire perimeter of the property where the data center is located in accordance with the requirements of this Ordinance.
7. Noises. A maximum auditory decibel level of 75 dB. shall be met and maintained during all hours of operation, as measured from the property line of the subject parcel. Verification may be in the form of a noise study by a licensed acoustical engineer, including manufacturer specifications, data from comparable facilities or combination thereof.
8. All outdoor light fixtures shall be installed in a manner intended to limit the amount of off-site impacts. Light fixtures located near adjacent properties may require special shielding devices to prevent light trespass.
9. Accessory structures and appurtenances. All accessory structures or appurtenances, including those constructed for noise mitigation, shall be designed in a manner that is complementary with the primary building(s) and shall be finished in a non-obtrusive color.
10. Roads. All adjacent exterior access roads serving a data center shall conform to the Development Standards in this Ordinance and Article 33. Exterior road construction or

improvements shall be subject to approval by the Burleigh County Highway Engineer or their designee. A road maintenance agreement with any government entity having jurisdiction over the adjacent exterior access roads shall be required during installation or construction of the data center, or during modification of a lawfully existing data center beyond routine maintenance. All interior roads serving the data center shall be subject to review by the Burleigh County Fire Department to ensure safe and adequate access for emergency response vehicles.

11. Storm Drainage, Erosion Control, Grading, Drainage and Stormwater Management Permit for the data center shall comply with the requirements in Article 33 of this Ordinance.
12. Additional conditions or specific allowances to this ordinance may be considered in the review and approval of the Special Use Permit.
13. Development Agreement. The owner of record of the property, or the owner's representative of the data center and of the property on which the data center will be located, as determined appropriate by Burleigh County, must sign a development agreement which shall include provisions related to, but are not limited to, the posting and use of financial security, exterior and interior road construction or improvement, road maintenance, improvements related to storm drainage, erosion control, grading, and drainage, reclamation and restoration, and/or any other condition imposed by this Chapter, this Ordinance, or the Board of County Commissioners in approving installation of construction of the data center or modifications to a lawfully existing data center beyond routine maintenance.

IV. Decommissioning Plan:

1. It is the responsibility of the original applicant, or if different, the owner of record of the property, the occupant or lessee of the property, and the operator of the data center to notify Burleigh County in writing, at least six (6) months in advance, of the intent to abandon or cease operations of the data center. Any data center that is not operated for a continuous period of six (6) months shall automatically be considered abandoned, and Burleigh County may require the original applicant, or if different, the record owner of the property, the occupant or lessee of the property, and the operator of the data center to reclaim and restore the property within ninety (90) days after written notice to reclaim and restore the property from Burleigh County. Any such reclamation and restoration shall include, but is not limited to, removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and removal and disposal of all other facilities, structures, equipment, and materials on or under the property. If the property is not fully reclaimed and restored as required by this Article within ninety (90) days after written notice from Burleigh County, the County may reclaim and restore the property, or cause the property to be reclaimed and restored, including, but not limited to, removal and disposal of all above-ground structures, underground structures, and utilities to depth of four feet, and removal and disposal of all other facilities, structures, equipment, and materials on or under the

property and recover costs directly from the original applicant, or if different, the record owner of the property, the occupant or lessee of the property, and/or the operator of the data center. Burleigh County may also, in its discretion, recover such costs, by access to and use of the financial security provided and on file for the data center, or by lien or special assessment, or any other remedy, authorized by law or the Development Agreement entered into under this Article. Nothing in this Article is intended to impose a mandatory obligation on Burleigh County to reclaim and restore the property.

2. After a decommissioning process has been completed, the I District Industrial Zoning of the property shall automatically be transferred back to the original zoning, prior to the issuance of the special use permit.

Article 18, I-Industrial Zoning District, the following regulations shall apply:

1. Special Uses Permitted. The following Special Uses are allowed as per Article 8 Section 30 hereof:
 - a. Data Center Facilities
 - b. Any change of use within an existing permitted Data Center, i.e.: AI Conversion Center, shall require a new special use permit review and approval.

Section 2. **Repeal.** All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

Section 3. **Severability.** If any section provision or part of this ordinance shall be adjudged invalid or unconstitutional such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. **Effective Date.** This ordinance shall take effect after final passage, adoption and publication as provided by law.

First Reading Passed: _____

Passed and adopted this _____ day of _____, 2024

Brian Bitner, Chairperson

Final passage and adoption:

I, Mark Splonskowski, do hereby certify that I am the duly elected auditor of the County of Burleigh, State of North Dakota, and that the foregoing is a full, true and correct copy of an ordinance adopted by the Board of Burleigh County Commissioners at its regular meeting of _____ day of _____, 2024

IN WITNESS WHEREOF: I have hereto set my hand and seal of Burleigh County this _____ day of _____, 2024

Mark Splonskowski, Burleigh County Auditor/Treasurer

HB 1239

Chairman and Members of the Committee:

Please consider the following written testimony in opposition of HB 1239.

This bill appears to be taking local control away from the local zoning authority. Land use and the placement of various industries is best decided and regulated by the people of the area. They are the ones who will be impacted the most and the local zoning authority can place conditions on land use that can mitigate negative impacts on the residents and environment, while still allowing orderly growth. NDCC 58-03-11 already states “All regulations and restrictions under this section must be uniform throughout each district, but the regulations and restrictions in one district may differ from those in other districts” so it seems unnecessary to try to protect one industry with this bill.

Noise from any industry or activity isn’t the only impact that will negatively affect residents. However, there may be some industry activity that can be allowed, for a limited time, to exceed permitted noise levels stated in noise ordinances, through a conditional use. Length of time of noisy conditions must be a consideration. As is often said, “One size doesn’t fit all.” There are options for noise mitigation, such as fully-enclosed operations, which will be agreed upon if the individuals/companies are honorable and serious about their project.

To summarize, this bill is for one business only (digital asset mining), state residents of the affected areas are being dismissed, and local control that is legally given to counties, cities, and townships is being undermined by this bill, therefore, I oppose HB 1239.

Thank you.

Shelly Ventsch

New Town, ND

From MICHELE BROWN
<micheleb0520@yahoo.com>
To: MICHELE Arend <micheleb0520@yahoo.com>
Date Today at 8:53 AM

Hello,

I was made aware tonight of House Bill 1239. I want to share firsthand how there NEED's to be regulation and oversight on noise that comes from mining facilities. A couple years ago we had a facility pop up across the street from us and it has disrupted my family in more ways than I can explain. It shakes our house 24/7 and the squealing of the fans and computers are unescapable. I have numerus videos I can share where the noise has overpowered the memories we were making outside. You can't hear the laughing of the kids or the birds chirping or even the annoying roosters crowing. Riding horses and coaching the kids use to be a time we enjoyed together. That hasn't been the case for far too long. There is plenty of space in this state to build that is a safe and a healthy distance from families!! This facility has robbed my family of outdoor enjoyment and peace. We bought our house 4 years ago so we could have a small property with our horses. We cannot have a normal toned conversation outside, listen to music while we do chores or even hear the birds chirping because it's all drowned out by buzzing from a mining facility. There is technology these days that can help with noise dampening. It may cost more to put up, but families are worth more than greed and astronomical individual profit. Please have a voice for your voters, we elect you to protect us!!

Thank you,
Michele Arend
Williston, ND

Charlie Sorenson
5850 94th Ave NW
Ross, ND 58776
(701) 755-3476
charlie.sorenson@yahoo.com

January 28, 2025

Chairman Warrey and members of the Committee,

My name is Charlie Sorenson, a 4th generation farmer, resident, and landowner from Ross, ND. I am opposed to HB1239 and encourage you forward this bill with a DO NOT PASS recommendation.

Sections 1, 3, and 5 of this bill override local zoning and force zoning commissions to approve all applications for asset mining businesses without noise restrictions. In 1994 as a senior at Stanley High School, I took a class titled "Government" in which my teacher highlighted the foundation of all law: "Your rights end where someone else's begin." HB 1239 is written contrary to this basic principle by granting new rights to the digital asset mining industry while overriding the rights of existing property owners.

In particular, HB1239 prevents the local jurisdiction from restricting noise emissions from asset mining businesses differently than any other activities. This poses significant problems. Asset mining produces noise much different from other noises because it's a continuous and nauseating noise with a short wavelength. This noise never stops. Unlike the pleasant music we hear in waiting rooms or grocery stores, the noise emitted from asset mining is unpleasant to hear at any volume. Short wave length noise creates additional problems in that it is almost impossible to mitigate because of its ability to bend around obstacles like noise reducing walls. Noise from asset mining is in a class by itself and needs to be treated as such, differently from other noise.

HB 1239 attempts to create exclusive rights for the asset mining industry by fast tracking the approval process without regard to others. I have served on my county's planning and zoning commission for 10 years and have been part of an estimated 1500 individual zoning hearings. I can only think of 4 those hearings that resulted in denials. Although requests had to go through the process of changes and amending at times, we ultimately approved 99.7% of the requests. This bill is unnecessary for North Dakota and the digital asset mining industry as we already have solid local processes for approving nearly all zoning requests after reasonable and prudent adjustments.

Please forward this bill with a DO NOT PASS recommendation.

Sincerely,



Charlie Sorenson

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1239
2/5/2025

A BILL for an Act to create and enact a new section to chapter 11-33, a new section to chapter 13-09.1, a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter 58-03 of the North Dakota Century Code, relating to blockchain technology, protection for digital asset mining, and an exemption from a money transmitter license.

4:25 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Member Absent: Representative Christy

Discussion Topics:

- Restricting miners
- Central bank currency
- Mining and money transmission

4:33 p.m. Chairman Warrey lead discussion on the bill and a previously proposed amendment.

4:34 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1239
2/12/2025

A BILL for an Act to create and enact a new section to chapter 11-33, a new section to chapter 13-09.1, a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter 58-03 of the North Dakota Century Code, relating to blockchain technology, protection for digital asset mining, and an exemption from a money transmitter license.

10:17 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Brown, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Members Absent: Representatives Bahl, Christy

Discussion Topics:

- DFI Exemption
- Zoning concerns

10:17 a.m. Representative Volmer discussed possible amendment language.

10:18 a.m. Corey Krebs, Deputy, ND Department of Financial Institutions available to answer questions.

10:21 a.m. Representative Schauer moved an amendment.

10:21 a.m. Representative Schauer withdrew his motion as there was no amendment language agreed upon.

10:25 a.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1239
2/12/2025

A BILL for an Act to create and enact a new section to chapter 11-33, a new section to chapter 13-09.1, a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter 58-03 of the North Dakota Century Code, relating to blockchain technology, protection for digital asset mining, and an exemption from a money transmitter license.

3:17 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Members Absent: Representatives Bahl, Christy

Discussion Topics:

- Residential zoning
- Restrictions in zoning
- Comply with rules
- Discriminate
- Carve out rules
- Appeal process

3:19 p.m. Representative Koppelman moved Adopt Amendment LC #25.0518.01001, #37576.

3:19 p.m. Representative Vollmer seconded the motion.

Voice Vote.

Motion passed.

3:34 p.m. Representative Schauer moved Do Not Pass as amended.

3:34 p.m. Representative Schatz seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	AB
Representative Collette Brown	Y
Representative Josh Christy	AB

Representative Lisa Finley-DeVile	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 10-2-2.

3:36 p.m. Representative Johnson will carry the bill

3:36 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

2-12-25

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

gjm 10/6/6

HOUSE BILL NO. 1239

Introduced by

Representatives Toman, Christy, Hagert, Schauer, Warrey, D. Johnston

Senators Barta, Cory, Paulson

1 A BILL for an Act to create and enact a new section to chapter 11-33, ~~a new section to chapter~~
2 ~~13-09.1~~, a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter
3 58-03 of the North Dakota Century Code, relating to blockchain technology, and protection for
4 digital asset mining, ~~and an exemption from a money transmitter license.~~

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 11-33 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Protection for digital asset mining.**

- 9 1. An individual may not be prohibited, restricted, or otherwise prevented from
10 participating in digital asset mining in an area zoned for residential use if the individual
11 engaging in digital asset mining complies with all county noise ordinances.
- 12 2. In an area zoned for commercial use, a county may not:
- 13 a. Place a limit on sound decibels generated from a digital asset mining business
14 which is more restrictive than limits imposed for sound pollution in that area
15 generally.
- 16 b. Place restrictions on a digital asset mining business which do not apply to other
17 businesses in that area.
- 18 c. Change the zoning of a digital asset mining business without providing notice and
19 an opportunity for comment.
- 20 3. A digital asset mining business may appeal a change in zoning to the district court.

JB 2 of 6

1 4. For purposes of this section:

2 a. "Digital asset mining" means using computer hardware and software specifically
3 designed or used for the purpose of validating data and securing a blockchain
4 network.

5 b. "Digital asset mining business" means an individual or company operating a
6 digital asset mining facility that cumulatively draws more than one megawatt of
7 power in the state.

8 ~~— **SECTION 2.** A new section to chapter 13-09.1 of the North Dakota Century Code is created~~
9 ~~and enacted as follows:~~

10 ~~— **Exemption from money transmitter license.**~~

11 ~~— 1. An individual or business is exempt from a money transmitter license under this~~
12 ~~chapter if the individual or business:~~

13 ~~— a. Operates a node or a series of nodes on a blockchain protocol.~~

14 ~~— b. Engages in digital asset mining.~~

15 ~~— c. Develops software on a blockchain protocol, including if the software effectuates~~
16 ~~the exchange of one digital asset for another digital asset.~~

17 ~~— 2. A business or decentralized protocol that effectuates the exchange of one digital asset~~
18 ~~for another digital asset and does not exchange those digital assets for legal tender or~~
19 ~~bank deposits is exempt from a money transmitter license under this chapter.~~

20 ~~— 3. For purposes of this section:~~

21 ~~— a. "Blockchain protocol" means any executable software deployed to a blockchain,~~
22 ~~including an additional standardized set of rules that use a previously existing~~
23 ~~blockchain as a base and which facilitate the transfer of data and electronic~~
24 ~~records and allow that data to be broadcast to nodes.~~

25 ~~— b. "Decentralized protocol" means a blockchain protocol software system governed~~
26 ~~by a set of predefined rules that execute autonomously without human~~
27 ~~intervention and which can be altered by some predetermined mechanism.~~

28 ~~— c. "Digital asset" means virtual currency, cryptocurrencies, natively electronic~~
29 ~~assets, including stablecoins and nonfungible tokens, and other digital only~~
30 ~~assets that confer economic, proprietary, or access rights or powers.~~

- 1 ~~d. "Digital asset mining" means using computer hardware and software specifically~~
2 ~~designed or used for the purpose of validating data and securing a blockchain~~
3 ~~network.~~
- 4 ~~e. (1) "Node" means a computational device that:~~
- 5 ~~(a) Communicates with other devices or participants on a blockchain to~~
6 ~~maintain consensus and integrity of that blockchain;~~
- 7 ~~(b) Creates and validates transaction blocks; or~~
- 8 ~~(c) Contains and updates a copy of a blockchain.~~
- 9 ~~(2) A node does not exercise discretion over transactions initiated by the end~~
10 ~~user of the blockchain protocol.~~

11 **SECTION 2.** A new section to chapter 40-47 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Protection for digital asset mining.**

- 14 1. An individual may not be prohibited, restricted, or otherwise prevented from
15 participating in digital asset mining in an area zoned for residential use if the individual
16 engaging in digital asset mining complies with all city noise ordinances.
- 17 2. In an area zoned for commercial use, a city may not:
- 18 a. Place a limit on sound decibels generated from a digital asset mining business
19 which is more restrictive than limits imposed for sound pollution in that area
20 generally.
- 21 b. Place restrictions on a digital asset mining business which do not apply to other
22 businesses in that area.
- 23 c. Change the zoning of a digital asset mining business without providing notice and
24 an opportunity for comment.
- 25 3. A digital asset mining business may appeal a change in zoning to the district court.
- 26 4. For purposes of this section:
- 27 a. "Digital asset mining" means using computer hardware and software specifically
28 designed or used for the purpose of validating data and securing a blockchain
29 network.

JB 4066

- 1 b. "Digital asset mining business" means an individual or company operating a
2 digital asset mining facility that cumulatively draws more than one megawatt of
3 power in the state.

4 **SECTION 3.** A new chapter to title 51 of the North Dakota Century Code is created and
5 enacted as follows:

6 **Definitions.**

7 In this chapter, unless the context of use clearly requires otherwise:

- 8 1. "Blockchain protocol" means any executable software deployed to a blockchain,
9 including an additional standardized set of rules that use a previously existing
10 blockchain as a base and which facilitate the transfer of data and electronic records
11 and allow that data to be broadcast to nodes.
- 12 2. "Central bank digital currency" means a digital currency, a digital medium of exchange,
13 or a digital monetary unit of account issued by the United States federal reserve
14 system or a federal agency which is made directly available to institutions or
15 consumers by those entities, or which is processed or validated directly by those
16 entities. The term does not include a digital asset backed by legal tender or
17 government treasuries and issued by a private entity.
- 18 3. "Digital asset" means virtual currency, cryptocurrencies, natively electronic assets,
19 including stablecoins and nonfungible tokens, and other digital-only assets that confer
20 economic, proprietary, or access rights or powers.
- 21 4. "Governing authority" means any state agency or board, commission, or department
22 or any political subdivision.
- 23 5. "Hardware wallet" means a physical device that is not continuously connected to the
24 internet and allows an individual to secure and transfer digital assets. The term
25 includes a physical device under which the owner of digital assets retains independent
26 control over the digital assets.
- 27 6. a. "Node" means a computational device that:
28 (1) Communicates with other devices or participants on a blockchain to
29 maintain consensus and integrity of that blockchain;
30 (2) Creates and validates transaction blocks; or
31 (3) Contains and updates a copy of a blockchain.

1 b. A node does not exercise discretion over transactions initiated by the end user of
2 the blockchain protocol.

3 7. "Self-hosted wallet" means a digital interface used to:

4 a. Secure and transfer digital assets; and

5 b. Retain independent control over the secured digital assets by the owner of the
6 digital asset.

7 8. "Staking" means committing digital assets to a blockchain network to participate in the
8 blockchain network's operations by validating transactions and securing the network.

9 **Prohibitions on use and testing of central bank digital currency.**

10 1. A governing authority may not accept or require a payment using central bank digital
11 currency.

12 2. A governing authority may not participate in any test of central bank digital currency by
13 the board of governors of the federal reserve system or any branch or agency of the
14 federal government.

15 **Permitted uses of digital assets.**

16 A governing authority may not prohibit, restrict, or otherwise impair the ability of an
17 individual or business to:

18 ~~1. Accept~~ accept digital assets as a method of payment for legal goods and services.

19 ~~2. Take custody of digital assets using a self-hosted wallet or hardware wallet.~~

20 **Access to blockchain protocols and transfer of digital assets.**

21 A person may:

22 1. Operate a node for the purpose of connecting to a blockchain protocol and
23 participating in the blockchain protocol's operations.

24 2. Develop software on a blockchain protocol.

25 3. ~~Transfer digital assets to another person using a blockchain protocol.~~

26 ~~4. Participate in staking on a blockchain protocol.~~

27 **SECTION 4.** A new section to chapter 58-03 of the North Dakota Century Code is created
28 and enacted as follows:

Page 6 of 6

1 **Protection for digital asset mining.**

- 2 1. An individual may not be prohibited, restricted, or otherwise prevented from
3 participating in digital asset mining in an area zoned for residential use if the individual
4 engaging in digital asset mining complies with all township noise ordinances.
- 5 2. In an area zoned for commercial use, a township may not:
- 6 a. Place a limit on sound decibels generated from a digital asset mining business
7 which is more restrictive than limits imposed for sound pollution in that area
8 generally.
- 9 b. Place restrictions on a digital asset mining business which do not apply to other
10 businesses in that area.
- 11 c. Change the zoning of a digital asset mining business without providing notice and
12 an opportunity for comment.
- 13 3. A digital asset mining business may appeal a change in zoning to the district court.
- 14 4. For purposes of this section:
- 15 a. "Digital asset mining" means using computer hardware and software specifically
16 designed or used for the purpose of validating data and securing a blockchain
17 network.
- 18 b. "Digital asset mining business" means an individual or company operating a
19 digital asset mining facility that cumulatively draws more than one megawatt of
20 power in the state.

**REPORT OF STANDING COMMITTEE
HB 1239**

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **AMENDMENTS** ([25.0518.01001](#)) and when so amended, recommends **DO NOT PASS** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1239 was placed on the Sixth order on the calendar.

25.0518.01001
Title.

Prepared by the Legislative Council
staff for Representative Toman
February 6, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1239

Introduced by

Representatives Toman, Christy, Hagert, Schauer, Warrey, D. Johnston

Senators Barta, Cory, Paulson

A BILL for an Act to create and enact a new section to chapter 11-33, ~~a new section to chapter 13-09.1,~~ a new section to chapter 40-47, a new chapter to title 51, and a new section to chapter 58-03 of the North Dakota Century Code, relating to blockchain technology, and protection for digital asset mining, ~~and an exemption from a money transmitter license.~~

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 11-33 of the North Dakota Century Code is created and enacted as follows:

Protection for digital asset mining.

1. An individual may not be prohibited, restricted, or otherwise prevented from participating in digital asset mining in an area zoned for residential use if the individual engaging in digital asset mining complies with all county noise ordinances.
2. In an area zoned for commercial use, a county may not:
 - a. Place a limit on sound decibels generated from a digital asset mining business which is more restrictive than limits imposed for sound pollution in that area generally.
 - b. Place restrictions on a digital asset mining business which do not apply to other businesses in that area.
 - c. Change the zoning of a digital asset mining business without providing notice and an opportunity for comment.
3. A digital asset mining business may appeal a change in zoning to the district court.

4. For purposes of this section:

- a. "Digital asset mining" means using computer hardware and software specifically designed or used for the purpose of validating data and securing a blockchain network.
- b. "Digital asset mining business" means an individual or company operating a digital asset mining facility that cumulatively draws more than one megawatt of power in the state.

~~SECTION 2. A new section to chapter 13-09.1 of the North Dakota Century Code is created and enacted as follows:~~

~~**Exemption from money transmitter license.**~~

~~1. An individual or business is exempt from a money transmitter license under this chapter if the individual or business:~~

~~a. Operates a node or a series of nodes on a blockchain protocol;~~

~~b. Engages in digital asset mining;~~

~~c. Develops software on a blockchain protocol, including if the software effectuates the exchange of one digital asset for another digital asset.~~

~~2. A business or decentralized protocol that effectuates the exchange of one digital asset for another digital asset and does not exchange those digital assets for legal tender or bank deposits is exempt from a money transmitter license under this chapter.~~

~~3. For purposes of this section:~~

~~a. "Blockchain protocol" means any executable software deployed to a blockchain, including an additional standardized set of rules that use a previously existing blockchain as a base and which facilitate the transfer of data and electronic records and allow that data to be broadcast to nodes;~~

~~b. "Decentralized protocol" means a blockchain protocol software system governed by a set of predefined rules that execute autonomously without human intervention and which can be altered by some predetermined mechanism;~~

~~c. "Digital asset" means virtual currency, cryptocurrencies, natively electronic assets, including stablecoins and nonfungible tokens, and other digital-only assets that confer economic, proprietary, or access rights or powers;~~

~~d. "Digital asset mining" means using computer hardware and software specifically designed or used for the purpose of validating data and securing a blockchain network.~~

~~e. (1) "Node" means a computational device that:~~

~~(a) Communicates with other devices or participants on a blockchain to maintain consensus and integrity of that blockchain;~~

~~(b) Creates and validates transaction blocks; or~~

~~(c) Contains and updates a copy of a blockchain.~~

~~(2) A node does not exercise discretion over transactions initiated by the end user of the blockchain protocol.~~

SECTION 2. A new section to chapter 40-47 of the North Dakota Century Code is created and enacted as follows:

Protection for digital asset mining.

1. An individual may not be prohibited, restricted, or otherwise prevented from participating in digital asset mining in an area zoned for residential use if the individual engaging in digital asset mining complies with all city noise ordinances.

2. In an area zoned for commercial use, a city may not:

a. Place a limit on sound decibels generated from a digital asset mining business which is more restrictive than limits imposed for sound pollution in that area generally.

b. Place restrictions on a digital asset mining business which do not apply to other businesses in that area.

c. Change the zoning of a digital asset mining business without providing notice and an opportunity for comment.

3. A digital asset mining business may appeal a change in zoning to the district court.

4. For purposes of this section:

a. "Digital asset mining" means using computer hardware and software specifically designed or used for the purpose of validating data and securing a blockchain network.

- b. "Digital asset mining business" means an individual or company operating a digital asset mining facility that cumulatively draws more than one megawatt of power in the state.

SECTION 3. A new chapter to title 51 of the North Dakota Century Code is created and enacted as follows:

Definitions.

In this chapter, unless the context of use clearly requires otherwise:

1. "Blockchain protocol" means any executable software deployed to a blockchain, including an additional standardized set of rules that use a previously existing blockchain as a base and which facilitate the transfer of data and electronic records and allow that data to be broadcast to nodes.
2. "Central bank digital currency" means a digital currency, a digital medium of exchange, or a digital monetary unit of account issued by the United States federal reserve system or a federal agency which is made directly available to institutions or consumers by those entities, or which is processed or validated directly by those entities. The term does not include a digital asset backed by legal tender or government treasuries and issued by a private entity.
3. "Digital asset" means virtual currency, cryptocurrencies, natively electronic assets, including stablecoins and nonfungible tokens, and other digital-only assets that confer economic, proprietary, or access rights or powers.
4. "Governing authority" means any state agency or board, commission, or department or any political subdivision.
5. "Hardware wallet" means a physical device that is not continuously connected to the internet and allows an individual to secure and transfer digital assets. The term includes a physical device under which the owner of digital assets retains independent control over the digital assets.
6. a. "Node" means a computational device that:
 - (1) Communicates with other devices or participants on a blockchain to maintain consensus and integrity of that blockchain;
 - (2) Creates and validates transaction blocks; or
 - (3) Contains and updates a copy of a blockchain.

- 1 b. A node does not exercise discretion over transactions initiated by the end user of
2 the blockchain protocol.

3 7. "Self-hosted wallet" means a digital interface used to:

4 a. Secure and transfer digital assets; and

5 b. Retain independent control over the secured digital assets by the owner of the
6 digital asset.

7 8. "Staking" means committing digital assets to a blockchain network to participate in the
8 blockchain network's operations by validating transactions and securing the network.

9 **Prohibitions on use and testing of central bank digital currency.**

10 1. A governing authority may not accept or require a payment using central bank digital
11 currency.

12 2. A governing authority may not participate in any test of central bank digital currency by
13 the board of governors of the federal reserve system or any branch or agency of the
14 federal government.

15 **Permitted uses of digital assets.**

16 A governing authority may not prohibit, restrict, or otherwise impair the ability of an
17 individual or business to:

18 ~~1. Accept~~ accept digital assets as a method of payment for legal goods and services.

19 ~~2. Take custody of digital assets using a self-hosted wallet or hardware wallet.~~

20 **Access to blockchain protocols and transfer of digital assets.**

21 A person may:

22 1. Operate a node for the purpose of connecting to a blockchain protocol and
23 participating in the blockchain protocol's operations.

24 2. Develop software on a blockchain protocol.

25 3. ~~Transfer digital assets to another person using a blockchain protocol.~~

26 ~~4. Participate in staking on a blockchain protocol.~~

27 **SECTION 4.** A new section to chapter 58-03 of the North Dakota Century Code is created
28 and enacted as follows:

1 **Protection for digital asset mining.**

2 1. An individual may not be prohibited, restricted, or otherwise prevented from
3 participating in digital asset mining in an area zoned for residential use if the individual
4 engaging in digital asset mining complies with all township noise ordinances.

5 2. In an area zoned for commercial use, a township may not:

6 a. Place a limit on sound decibels generated from a digital asset mining business
7 which is more restrictive than limits imposed for sound pollution in that area
8 generally.

9 b. Place restrictions on a digital asset mining business which do not apply to other
10 businesses in that area.

11 c. Change the zoning of a digital asset mining business without providing notice and
12 an opportunity for comment.

13 3. A digital asset mining business may appeal a change in zoning to the district court.

14 4. For purposes of this section:

15 a. "Digital asset mining" means using computer hardware and software specifically
16 designed or used for the purpose of validating data and securing a blockchain
17 network.

18 b. "Digital asset mining business" means an individual or company operating a
19 digital asset mining facility that cumulatively draws more than one megawatt of
20 power in the state.