

2024 Regular Session

HOUSE BILL NO. 488

BY REPRESENTATIVE WRIGHT

COMMERCE: Provides relative to blockchain and digital asset regulation

1 AN ACT

2 To enact Chapter 22 of Title 49 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 49:1501 through 1506, relative to digital assets and cryptocurrency; to  
4 prohibit certain government regulations of digital assets; to provide for a short title;  
5 to provide for definitions; to prohibit governing authorities from requiring use,  
6 payment, or testing of central bank digital currency; to provide for node operating  
7 and the use of home digital asset mining; to provide for exceptions; to provide for  
8 limitations of liability; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 22 of Title 49 of the Louisiana Revised Statutes of 1950,  
11 comprised of R.S. 49:1501 through 1506, is hereby enacted to read as follows:

12 CHAPTER 22. BLOCKCHAIN BASICS ACT

13 §1501. Short title

14 This Chapter shall be known and may be cited as the "Blockchain Basics  
15 Act".

16 §1502. Definitions

17 As used in this Chapter, the following terms have the following meanings,  
18 unless context of use clearly requires otherwise:

19 (1) "Blockchain" has the meaning ascribed to it in R.S. 6:1382. The term  
20 "blockchain" includes both of the following:

1           (a) Data that is shared across a network to create a ledger of verified  
2           transactions or information among network participants linked together using  
3           cryptography to maintain the integrity of the ledger and to execute other functions.

4           (b) Data that is distributed among network participants in an automated  
5           fashion to concurrently update network participants on the state of the ledger and any  
6           other function.

7           (2) "Blockchain protocol" means any executable software deployed to a  
8           blockchain composed of source code that is publicly available and accessible,  
9           including a smart contract or any network of smart contracts.

10          (3) "Central bank digital currency" means a digital currency, a digital  
11          medium of exchange, or a digital monetary unit of account issued by the Board of  
12          Governors of the Federal Reserve System or a federal agency which is made directly  
13          available to a consumer by such entities, or which is processed or validated directly  
14          by such entities. The term does not mean a digital asset backed by legal tender or  
15          government treasuries and issued by a private entity.

16          (4) "Digital asset" means virtual currency, cryptocurrencies, natively  
17          electronic assets, including stablecoins and non-fungible tokens or NFTs, and other  
18          digital-only assets that confer economic, proprietary, or access rights or powers.

19          (5) "Digital asset mining" means using electricity to power a computer or  
20          node for the purpose of securing a blockchain network.

21          (6) "Digital asset mining business" means a group of computers working that  
22          consume more than one megawatt of energy for the purpose of securing a blockchain  
23          protocol.

24          (7) "Governing authority" means any board, commission, department or  
25          other agency of the state or any political subdivision in the state.

26          (8) "Hardware wallet" means a physical device that is not continuously  
27          connected to the internet and allows an individual to secure and transfer digital  
28          assets. The term "hardware wallet" also includes a physical device under which the  
29          owner of digital assets retains independent control over the digital assets.

1           (9) "Home digital asset mining" means using digital asset mining in an area  
2           zoned for residential use.

3           (10)(a) "Node" means a computational device that does any of the following:

4           (i) Communicates with other devices or participants on a blockchain to  
5           maintain consensus and integrity of that blockchain.

6           (ii) Creates and validates transaction blocks.

7           (iii) Contains and updates a copy of a blockchain.

8           (b) A node does not exercise discretion over transactions initiated by the end  
9           user of the blockchain protocol.

10           (11) "Nonfungible token" or "NFT" has the meaning ascribed to it in R.S.  
11           6:1382.

12           (12) "Self-hosted wallet" means a digital interface that is used to do both of  
13           the following:

14           (a) Secure and transfers digital assets.

15           (b) Retain independent control over the secured digital assets by the owner  
16           of the digital asset.

17           (13) "Staking" means the act of committing digital assets for a period of time  
18           to validate and secure a specific blockchain network.

19           (14) "Staking as a service" means the provision of technical staking services,  
20           including the operation of nodes and the associated infrastructure necessary to  
21           facilitate participation in blockchain networks' consensus mechanisms.

22           §1503. Prohibitions on use and testing of central bank digital currency

23           A. A governing authority shall not accept or require a payment using central  
24           bank digital currency.

25           B. A governing authority shall not participate in any test of central bank  
26           digital currency by the Board of Governors of the Federal Reserve System or any  
27           branch or agency of the federal government.

28           §1504. Permitted uses of digital assets

29           A governing authority shall not prohibit, restrict, or otherwise impair the  
30           ability of an individual or business to do either of the following:

1           (1) Accept digital assets as a method of payment for legal goods and  
2           services.

3           (2) Self-custody digital assets using a self-hosted wallet or hardware wallet.

4           §1505. Permitted uses of home digital asset mining; exceptions

5           A. It shall be legal in this state to do both of the following:

6           (1) Participate in home digital asset mining as long as the person engaging  
7           in home digital asset mining complies with all local noise ordinances.

8           (2) Have a digital asset mining business in any area that is zoned for  
9           industrial use, provided they comply with all current ordinances.

10          B. No political subdivision of this state shall do any of the following:

11          (1) Place any specific limit on sound decibels generated from home digital  
12          asset mining other than general limits set for sound pollution put forth by the  
13          political subdivision.

14          (2) Place any specific limit on sound decibels generated from a digital asset  
15          mining business other than limits set for sound pollution which generally apply to  
16          industrial zoned areas.

17          (3) Impose any other requirements on a digital asset mining business that is  
18          also not a requirement for data centers in its area of jurisdiction.

19          (4) Change the zoning of a digital asset mining business without going  
20          through the proper notice and comment.

21          C. A digital asset mining business shall be able to appeal a change in zoning  
22          to the proper court of jurisdiction. A judge shall find a violation of this Section and  
23          nullify such a change in zoning if the judge determines the change was done to  
24          discriminate against a digital asset mining business.

25          §1506. Node operating; home digital asset mining; exceptions; liability

26          A. It shall be legal in this state to operate a node for the purpose of  
27          connecting to a blockchain protocol, or a protocol built on top of a blockchain  
28          protocol, and transferring digital assets on a blockchain protocol, or to participate in  
29          staking on a blockchain protocol.

1           B. For the avoidance of doubt, a business offering to provide digital asset  
 2           mining or staking as a service for individuals or to other businesses shall not be  
 3           considered as offering a security or investment contract pursuant to Part X of  
 4           Chapter 2 of Title 51 of the Louisiana Revised Statutes of 1950.

5           C. Notwithstanding any other provision of law to the contrary, no individual  
 6           or entity shall face liability related to a specific transaction merely by validating such  
 7           transaction if such individual or entity does any of the following:

8                   (1) Engages in digital asset mining.

9                   (2) Operates a node or series of nodes on a blockchain network.

10                  (3) Provides digital asset mining or staking or offers staking as a service for  
 11                  individuals or other businesses.

12           D. Nothing in this Chapter restricts or prohibits the attorney general from  
 13           initiating actions pursuant to the Unfair Trade Practices and Consumer Protection  
 14           Law, including but not limited to actions brought for fraud, in connection with  
 15           offering or providing digital asset mining or staking as a service to individuals or  
 16           other businesses.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 488 Reengrossed

2024 Regular Session

Wright

**Abstract:** Prohibits a governing authority from accepting or requiring central bank digital currency and from participating in any test of central bank digital currency by any branch or agency of the federal government.

Proposed law (R.S. 49:1501) establishes the "Blockchain Basics Act".

Proposed law (R.S. 49:1502) defines "blockchain", "blockchain protocol", "central bank digital currency", "consumer price index", "digital asset", "digital asset mining", "digital asset mining business", "governing authority", "hardware wallet", "home digital asset mining", "node", "nonfungible token", "self-hosted wallet", "staking", and "staking as a service".

Proposed law (R.S. 49:1503) prohibits a governing authority from accepting or requiring a payment using central bank digital currency.

Proposed law (R.S. 49:1503) prohibits a governing authority from requiring participation in any test of a central bank digital currency by the federal government.

Proposed law (R.S. 49:1504) provides that no governing authority shall prohibit, restrict, or impair an individual's ability to use digital assets to purchase goods and services.

Proposed law (R.S. 49:1505) provides for the establishment of digital asset mining businesses in the states.

Proposed law (R.S. 49:1505) prohibits certain limitations on governing authority zoning restrictions.

Proposed law (R.S. 49:1506) provides that a person or entity may operate a node for the purpose of connecting to certain blockchain protocols and transferring digital assets on a blockchain protocol, or to participate in staking on a blockchain protocol.

Proposed law (R.S. 49:1506) provides that individuals shall not be considered as offering a security or investment contract when engaged in home digital asset mining or node operating.

Proposed law (R.S. 49:1506) limits certain liabilities. Proposed law further permits enforcement by the attorney general for unfair trade practices

(Adds R.S. 49:1501-1506)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.

#### The House Floor Amendments to the engrossed bill:

1. Redesignate proposed law.
2. Remove certain exceptions to licensing requirements.
3. Make technical changes.