

RÉSUMÉ DIGEST

ACT 700 (HB 488)

2024 Regular Session

Wright

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

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

New law (R.S. 49:1503) prohibits a governing authority from accepting or requiring a payment using central bank digital currency. New law further prohibits a governing authority from participating in any test of a central bank digital currency by the federal government.

New 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 or self-custody digital assets using a self-hosted wallet or hardware wallet.

New law (R.S. 49:1505) permits the establishment of digital asset mining businesses in a home or in an area zoned for industrial use, provided the businesses comply with existing law.

New law (R.S. 49:1506(A)) permits a person or entity to 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.

New law (R.S. 49:1506(B)) permits enforcement by the attorney general for unfair trade practices.

New law (R.S. 49:1506(C)) provides that nothing in new law shall restrict, impede, limit, exempt, or prohibit any person, entity, transaction, or conduct from the jurisdiction or application of existing law.

New law (R.S. 49:1507(A)) provides that no prohibited foreign party or agent, trustee, or other fiduciary of a prohibited foreign party shall acquire or hold any interest in a digital asset mining business in the state.

New law (R.S. 49:1507(B)) requires a prohibited foreign party that controls a digital asset mining business in operation before Aug. 1, 2024, to divest all interest in the business within 365 calendar days from Aug. 1, 2024.

New law (R.S. 49:1507(C)) permits the attorney general to conduct an investigation upon request of a person or upon receipt of information that leads the attorney general to believe that a violation of new law exists.

New law (R.S. 49:1507(D)) provides all of the following:

- (1) The attorney general may order a prohibited foreign party to divest all interest in the digital asset mining business within 365 calendar days.
- (2) The attorney general shall provide written notice in accordance with existing law to the holder of each mortgage, lien, privilege, encumbrance, or other interest in the property.
- (3) The court shall order a judicial sale of certain digital asset mining businesses under certain circumstances.
- (4) The attorney general may pursue other remedies and damages when a digital asset mining business is in violation of new law.
- (5) The approval of a digital asset mining business by a local government or authorization from the state to operate shall not be a defense to a cause of action brought pursuant to new law.

New law (R.S. 49:1507(E)) prohibits certain mortgage, lien, privilege, or other security interest recognized pursuant to existing law and certain ownership interest, lease, servitude, usufruct, right of use, bond for deed, or other real rights from being affected by a divestiture or disposition pursuant to new law.

New law (R.S. 49:1507(F)) precludes attorneys, title insurers, title insurance producers, title insurance agency producers, lenders, lessors and other interested parties from having a duty to make any investigation as to whether a party to a transaction involving immovable property is a prohibited foreign party. New law further precludes any such person from liability for failing to identify that a party to a transaction is a prohibited foreign party.

New law (R.S. 49:1507(G)) provides certain conditions for divestiture or disposition during the period in which the prohibited foreign party owns the property.

Existing law provides relative to the Virtual Currency Business Act (Act No. 331 of the 2023 R.S.) and provides for the regulation of virtual currency businesses.

Prior law provides that existing law shall terminate on July 1, 2025.

New law changes the termination date from July 1, 2025, to July 1, 2027.

Effective August 1, 2024.

(Amends Section 3 of Act No. 331 of the 2023 R.S.; Adds R.S. 49:1501-1507)