

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 991**

Introduced by Bostar, 29.

Read first time January 05, 2024

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to digital assets; to adopt the Blockchain

2 Basics Act.

3 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 7 of this act shall be known and may be  
2 cited as the Blockchain Basics Act.

3           Sec. 2. For the purposes of the Blockchain Basics Act:

4           (1) Blockchain has the same meaning as in section 8-3003;

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

8           (3) Controllable electronic record has the same meaning as in  
9 section 8-3003;

10          (4) Digital asset mining means using electricity to power a computer  
11 for the purpose of securing a blockchain network and generating a  
12 controllable electronic record;

13          (5) Digital asset mining business means a group of computers working  
14 at a single site that consume more than one megawatt of energy on an  
15 average annual basis for the purpose of securing a blockchain protocol  
16 and generating controllable electronic records;

17          (6) Hardware storage wallet means a physical device that is not  
18 continuously connected to the Internet and allows an individual to secure  
19 and transfer controllable electronic records;

20          (7) Home digital asset mining means digital asset mining in an area  
21 zoned for residential use;

22          (8) Node means a computational device that communicates with other  
23 devices, participates on a blockchain to maintain consensus and integrity  
24 of that blockchain, creates and validates transaction blocks, or contains  
25 and updates a copy of a blockchain;

26          (9) Self-hosted wallet means a digital interface used to secure and  
27 transfer controllable electronic records and under which the owner of the  
28 controllable electronic record retains independent control over the  
29 controllable electronic record that is secured by such digital interface;

30          (10) Staking means the act of committing controllable electronic  
31 records for a period of time to validate and secure a specific blockchain

1 network; and

2 (11) Staking as a service means the provision of technical staking  
3 services, including the operation of nodes and the associated  
4 infrastructure, necessary to facilitate participation in blockchain  
5 networks' consensus mechanisms.

6 Sec. 3. (1) An individual may:

7 (a) Engage in home digital asset mining as long as such individual  
8 complies with all local noise ordinances; and

9 (b) Operate a node for the purpose of connecting to a blockchain  
10 protocol or a protocol built on top of a blockchain protocol and  
11 transferring digital assets on a blockchain protocol or to participate in  
12 staking on a blockchain protocol.

13 (2) An individual engaged in home digital asset mining, a digital  
14 asset mining business, or operating a node or a series of nodes on a  
15 blockchain protocol shall not be required to obtain a license under the  
16 Nebraska Money Transmitters Act.

17 Sec. 4. A digital asset mining business may engage in digital asset  
18 mining in any area that is zoned for industrial use.

19 Sec. 5. A political subdivision shall not:

20 (1) Set a specific limit on sound decibels generated from home  
21 digital asset mining other than the limits set by the political  
22 subdivision for sound pollution generally;

23 (2) Set a specific limit on sound decibels generated from a digital  
24 asset mining business other than limits set for sound pollution which  
25 apply to industrial zoned areas generally;

26 (3) Impose any requirement on a digital asset mining business that  
27 is not also a requirement for data centers within the area of  
28 jurisdiction for such political subdivision; or

29 (4) Make a zoning change to an area with a digital asset mining  
30 business without conducting all required notice and hearing procedures. A  
31 digital asset mining business may appeal such zoning change to the proper

1 court of jurisdiction. A judge of such court shall reject such zoning  
2 change if the change was made to discriminate against a digital asset  
3 mining business.

4       Sec. 6. A business offering to provide staking as a service for  
5 individuals or other businesses shall not be considered as offering a  
6 security under the Securities Act of Nebraska.

7       Sec. 7. (1) The state or any political subdivision thereof shall  
8 not:

9       (a) Prohibit, restrict, or otherwise impair the ability of an  
10 individual to use:

11       (i) A controllable electronic record to purchase legal goods or  
12 services; or

13       (ii) A self-hosted, third-party, or hardware storage wallet for  
14 self-custody of controllable electronic records; or

15       (b) Impose any additional tax, withholding, assessment, or charge on  
16 a controllable electronic record used as a method of payment based solely  
17 on the use of the controllable electronic record as the method of  
18 payment.

19       (2)(a) A controllable electronic record used as a method of payment  
20 shall not be subject to any Nebraska income tax for any transaction  
21 valued at two hundred dollars or less.

22       (b) For calendar year 2025 and each calendar year thereafter, the  
23 two-hundred-dollar limit shall be adjusted by the percentage change in  
24 the Consumer Price Index for All Urban Consumers published by the federal  
25 Bureau of Labor Statistics from the twelve months ending August 31, 2023,  
26 to the twelve months ending on August 31 of the year preceding the  
27 applicable calendar year. The two-hundred-dollar limit shall be adjusted  
28 for cumulative inflation since 2024.

29       (3) This section does not prohibit the state or any political  
30 subdivision thereof from imposing or collecting a tax, withholding,  
31 assessment, or charge that would otherwise be collected if the

1 transaction had taken place with United States currency.