

REFERENCE TITLE: **blockchain technology; tax; fee; prohibition**

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1127

Introduced by
Senators Rogers: Kern, Wadsack; Representative Gillette

AN ACT

**AMENDING SECTIONS 9-500.42 AND 11-269.22, ARIZONA REVISED STATUTES;
RELATING TO LOCAL GOVERNMENTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-500.42, Arizona Revised Statutes, is amended
3 to read:

4 9-500.42. Prohibition on regulation of running node on
5 blockchain technology; taxation; state
6 preemption; definitions

7 A. A city or town may not prohibit or otherwise restrict an
8 individual from running a node on blockchain technology in a residence.

9 B. A CITY OR TOWN MAY NOT IMPOSE A TAX OR FEE ON ANY PERSON OR
10 ENTITY FOR RUNNING A NODE ON BLOCKCHAIN TECHNOLOGY IN A RESIDENCE. THIS
11 SUBSECTION DOES NOT APPLY TO A TAX LEVIED PURSUANT TO SECTION 42-6012.

12 ~~B.~~ C. The regulation of the act of running a node on blockchain
13 technology in a residence AND THE IMPOSITION OF A TAX OR FEE ON A PERSON
14 OR ENTITY RUNNING A NODE ON BLOCKCHAIN TECHNOLOGY IN A RESIDENCE is of
15 statewide concern and not subject to further regulation by a city or town.

16 ~~C.~~ D. For the purposes of this section: ~~;~~

17 1. "BLOCKCHAIN TECHNOLOGY" HAS THE SAME MEANING PRESCRIBED IN
18 SECTION 44-7061.

19 2. "Running a node on blockchain technology" means providing
20 computing power to validate or encrypt transactions in blockchain
21 technology ~~as defined in section 44-7061.~~

22 Sec. 2. Section 11-269.22, Arizona Revised Statutes, is amended to
23 read:

24 11-269.22. Prohibition on regulation of running node on
25 blockchain technology; taxation; state
26 preemption; definitions

27 A. A county may not prohibit or otherwise restrict an individual
28 from running a node on blockchain technology in a residence.

29 B. A COUNTY MAY NOT IMPOSE A TAX OR FEE ON ANY PERSON OR ENTITY FOR
30 RUNNING A NODE ON BLOCKCHAIN TECHNOLOGY IN A RESIDENCE. THIS SUBSECTION
31 DOES NOT APPLY TO A TAX LEVIED PURSUANT TO SECTION 42-6110.

32 ~~B.~~ C. The regulation of the act of running a node on blockchain
33 technology in a residence AND THE IMPOSITION OF A TAX OR FEE ON A PERSON
34 OR ENTITY RUNNING A NODE ON BLOCKCHAIN TECHNOLOGY IN A RESIDENCE is of
35 statewide concern and not subject to further regulation by a county.

36 ~~C.~~ D. For the purposes of this section: ~~;~~

37 1. "BLOCKCHAIN TECHNOLOGY" HAS THE SAME MEANING PRESCRIBED IN
38 SECTION 44-7061.

39 2. "Running a node on blockchain technology" means providing
40 computing power to validate or encrypt transactions in blockchain
41 technology ~~as defined in section 44-7061.~~