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GUEST VIEW

Daniel Zolnikov and Shane Morigeau: Montana leads the way on cryptocurrency framework

DANILE ZOLNIKOV and SHANE MORIGEAU

May 31, 2023



Sen. Shane Morigeau, D-Missoula,
Photo Courtesy of Montana Legislature

DANILE ZOLNIKOV and SHANE MORIGEAU

With the passage of SB 178 this past legislative session, Montana has taken a bold step forward in welcoming the booming cryptocurrency industry to the Big Sky state. This legislation was approved by both the House and Senate on a bipartisan vote with overwhelming support across the political spectrum, from conservatives and libertarians to Butte Democrats and members representing our Tribal Nations. They all understood the power behind putting a predictable regulatory framework in place for cryptocurrency mining and the potential it holds for everyday Montanans.

For years, we had hoped that leaders in our nation's capital would step forward and enact the kind of legislation that passed here in Montana. Because of their inaction, we have both introduced similar bills over multiple sessions to place the welcome mat for innovators in the crypto space to invest in our state.

The new law enacts several important protections for digital asset miners and users and removes regulatory uncertainty. For instance, it allows the industry to flourish in Montana without being subjected to discrimination or unnecessarily onerous requirements. This means that local and county governments cannot pass rules that treat crypto mining operations differently than other data centers. They cannot prevent a digital asset mining business from operating in an area zoned for industrial use, nor prevent home digital asset mining at a private residence, except as related to existing noise ordinances.

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The bill makes clear that digital assets are personal property, and prevents the taxation of the transaction of such currency if used to make payments. These protections give digital asset miners and the general public an important understanding of the rules of the road as it relates to the industry in Montana.

Gov. Gianforte has said many times that “Montana is open for business.” We are pleased to echo his words by adding that it is now truly open for business for this tremendously entrepreneurial industry in particular. We want to welcome more crypto and digital asset businesses to the state where we envision a safe haven where major firms could set up their headquarters here. We herald the potential of this industry in helping to stabilize our energy grid, and believe that investment in digital asset mining can allow Montana to increase the production of our energy and digitally export Montana’s energy across the world. And perhaps most importantly, we are thrilled to see a place in Montana for an industry that won’t change our culture.

Although content if Montana reaps the benefits of SB 178, we don’t want to hoard all of the success. The U.S. Congress should use Montana’s legislation as a model and pass a Federal digital asset protection law. The United States can and should be the leader in this field, and our leaders in Washington should be welcoming and encouraging the industry, not threatening it with taxes and unfair regulation. Let’s do what we have done with many other new and innovate industries and give this industry a roadmap that’s fair and that works, and let the innovators lead the way. It’s that simple. We hope all members of our Congressional delegation will speak up in favor of this commonsense approach.

Montana is called the Treasure State for obvious reasons. But we don’t need to physically mine the earth for every natural resource. We can add digital asset mining to the list of reasons Montana leads the way. By opening the doors to an industry that can bring about a more modern and financially fair economy for many Montanans, we hope that Washington, D.C. takes note of our efforts here in one of the laboratories of democracy.



ZOLNIKOV

Daniel Zolnikov and Shane Morigeau are Montana State Senators.