

STATE OF NEW YORK

3747

2021-2022 Regular Sessions

IN ASSEMBLY

January 28, 2021

Introduced by M. of A. VANEL -- read once and referred to the Committee on Economic Development

AN ACT to establish a task force to study the potential designation of economic empowerment zones for the mining of cryptocurrencies in the state of New York

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. a. A task force is hereby established to study the poten-
2 tial designation of economic empowerment zones for the mining of crypto-
3 currencies in the state of New York.

4 b. For purposes of this act:

5 (i) "cryptocurrency" shall mean a digital currency in which encryption
6 techniques are used to regulate the generation of units and currency and
7 verify the transfer of funds, operating independently from a central
8 bank;

9 (ii) "mining" shall mean the process of spending computer power to
10 process transactions and add such transactions to a cryptocurrencies'
11 blockchain;

12 (iii) "blockchain" shall mean a digital ledger in which transactions
13 made in cryptocurrencies are recorded chronologically and publicly; and

14 (iv) "economic empowerment zone" shall mean an area within the state
15 that has been designated by such term pursuant to section 1391 of the
16 federal Internal Revenue Code (26 Unites States Code § 1391).

17 c. The task force shall study:

18 (i) the eligibility requirements and the process for a locality to
19 receive an economic empowerment zone designation;

20 (ii) how such eligibility requirements and processes would apply to a
21 locality attempting to receive an economic empowerment zone designation
22 for the mining of cryptocurrencies;

23 (iii) the potential impact of such a designation on the workforce of
24 such locality;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD03092-01-1

1 (iv) any cyber security threats that may result from such a desig-
2 nation;

3 (v) the infrastructure and economic environment of localities, states,
4 and countries that tend to attract the mining of cryptocurrencies;

5 (vi) whether utility companies can play a role in the mining of cryp-
6 tocurrencies; and

7 (vii) any other subject that is relevant to the intent of this act as
8 determined by the chairperson.

9 d. No later than one year after the effective date of this act, the
10 task force shall report its findings to the governor and the legisla-
11 ture, as described under subdivision c of this section.

12 § 2. a. The task force shall be comprised of:

13 (i) two members appointed by the governor;

14 (ii) two members appointed by the temporary president of the senate;

15 (iii) two members appointed by the speaker of the assembly;

16 (iv) two members appointed by the superintendent of the department of
17 financial services; and

18 (v) one member appointed by the director of the office of information
19 technology services.

20 b. One of the appointments by the governor shall serve as chairperson
21 of the task force.

22 c. The members of the task force shall receive no compensation for
23 their services, but shall be allowed their actual and necessary expenses
24 incurred in the performance of their services.

25 d. All departments, divisions, bureaus, commissions, districts or
26 agencies of the state or any political subdivisions thereof shall, at
27 the request of the chairperson, provide the task force with such facili-
28 ties, assistance and data as will enable the task force to carry out its
29 powers and duties.

30 § 3. This act shall take effect immediately.