

HB 639-FN - AS AMENDED BY THE HOUSE

13Mar2025... 0445h

2025 SESSION

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HOUSE BILL

639-FN

AN ACT relative to the use of and disputes over blockchain and digital currencies.

SPONSORS: Rep. Ammon, Hills. 42; Rep. Beaulier, Graf. 1; Rep. Osborne, Rock. 2; Rep. Alexander Jr., Hills. 29; Rep. Sweeney, Rock. 25; Rep. Warden, Hills. 39; Sen. Avard, Dist 12

COMMITTEE: Commerce and Consumer Affairs

AMENDED ANALYSIS

This bill:

- I. Creates an act to protect blockchain technology and its users.
- II. Establishes a blockchain dispute docket to oversee blockchain-related disputes.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the use of and disputes over blockchain and digital currencies.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Purpose and Findings. The general court makes the following findings:

2 I. The general court adopts the findings of the Report of Governor Sununu’s Commission on
3 Cryptocurrency and Digital Assets.

4 II. The general court hereby finds that:

5 (a) Blockchain technology is an important technical innovation with many important
6 applications for our state and national society and economy.

7 (b) The uncertain legal and regulatory status of blockchain technologies undermines
8 investor and consumer confidence and stifles beneficial innovation.

9 (c) New Hampshire should establish a state legal regime that offers an attractive
10 jurisdiction for the best responsible blockchain innovators, entrepreneurs, and businesses while
11 protecting their investors and consumers.

12 (d) New Hampshire is a unique state. Our citizen legislature has proven itself to have
13 the unique capacity to undertake prompt and regular modernization of legal systems that often take
14 other states decades. New Hampshire should play a leading role now, as Blockchain technology
15 continues to develop its place within our global economic system.

16 III. The general court seeks to implement key recommendations from the Report of
17 Governor Sununu's Commission and to make New Hampshire an attractive jurisdiction for
18 blockchain-related business and innovation, thereby:

19 (a) Promoting investment and development in New Hampshire; and

20 (b) Establishing a leading role for New Hampshire in fostering the blockchain industry
21 and developing a legal regime protecting blockchain technology.

22 2 Short Title. This act shall be known as "The Blockchain Basic Laws."

23 3 New Chapter; Blockchain Basic Laws. Amend RSA by inserting after chapter 359-U the
24 following new chapter:

CHAPTER 359-V

BLOCKCHAIN BASIC LAWS

25 359-V:1 Definitions.

26 In this chapter:

27 I. "Blockchain" means any technology:

28 (a) Where data is:

29
30

1 (1) Shared across a network to create a public ledger of verified transactions or
2 information among network participants;

3 (2) Linked using cryptography to maintain the integrity of the public ledger and to
4 execute other functions; and

5 (3) Distributed among network participants in an automated fashion to concurrently
6 update network participants on the state of the public ledger and any other functions; and

7 (b) Composed of source code that is publicly available.

8 II. "Blockchain protocol" means any executable software deployed to a blockchain composed
9 of source code that is publicly available and accessible, including a smart contract or any network of
10 smart contracts.

11 III. "Decentralized" means a blockchain system in which no person has the unilateral
12 authority, directly or indirectly, through any contract, arrangement, understanding, relationship, or
13 otherwise, to control or materially alter the functionality or operation of the blockchain system.

14 IV. "Digital asset" means any fungible or non-fungible digital representation of value, unit of
15 value, voting, or usage right that can be exclusively possessed and transferred, person to person,
16 without necessary reliance on an intermediary, and is recorded on a blockchain system. This
17 includes virtual currencies, cryptocurrencies, natively electronic assets (such as stablecoins and non-
18 fungible tokens), and other digital-only assets that confer economic, proprietary, access rights, or
19 powers.

20 V. "Digital asset mining" or "mining" means using electricity to power a computer or node
21 for the purpose of securing a blockchain network through computational processes. For the purposes
22 of this chapter only, mining shall also include securing a blockchain through validation mechanisms
23 based on proof-of-stake.

24 VI. "Digital asset mining business" means a person or entity operating a group of computers
25 on one contiguous property that together consume more than one megawatt of energy for the
26 purpose of securing a blockchain protocol.

27 VII. "Discriminatory rates" mean electricity rates substantially different from other
28 industrial uses of electricity in similar geographic areas.

29 VIII. "Node" means a computational device which contains and updates a copy of a
30 blockchain.

31 IX. "Self-hosted wallet" means a digital interface used to secure and transfer digital assets;
32 and under which the owner of the digital asset retains independent control over the digital assets
33 that are secured by such digital interface.

34 X. "Smart contract" means software code deployed in a blockchain system that consists of a
35 set of predefined and deterministic instructions and conditions that may be executed in a
36 decentralized manner by participants in the underlying blockchain network. Execution of a smart
37 contract shall produce a change in the blockchain state and may autonomously enforce, execute, and

1 record rules and actions, including but not limited to financial transactions, compliance mechanisms,
2 and the creation of irrevocable digital arrangements. A smart contract need not meet the common
3 law requirements of a legal contract to satisfy this definition.

4 XI. "Staking" means using a node to lock digital assets in order to operate the consensus
5 mechanism of a blockchain protocol.

6 359-V:2 Holding and Use of Private Digital Currency.

7 No state or local government agency or subdivision thereof shall prohibit, restrict, or otherwise
8 impair the ability of an individual to:

9 I. Use digital assets to purchase legal goods or services;

10 II. Self-custody digital assets using a self-hosted wallet or third-party wallet.

11 III. Use digital assets as a method of payment without the imposition of any tax,
12 withholding, assessment, or charge based solely on the fact that a digital asset was used as the
13 method of payment.

14 359-V:3 Infrastructure to Run Blockchain Protected.

15 I. Any person shall be allowed to engage in home digital asset mining as long as the
16 individual complies with all local noise ordinances. A political subdivision shall not place specific
17 limits on sound decibels generated from home digital asset mining other than current limits set for
18 sound pollution put forth by the political subdivision.

19 II. A digital asset mining business may engage in digital asset mining in any area that is
20 zoned for industrial use.

21 III. No state or local government agency or subdivision thereof shall:

22 (a) Set a specific limit on sound decibels generated from noise, including digital asset
23 mining other than the limits set by the political subdivision in any local noise ordinances;

24 (b) Impose any requirement on a digital asset mining business that does not equally
25 apply to all industrial-zoned properties.

26 IV. No state or local government agency or subdivision thereof may establish a rate schedule
27 for digital asset mining that creates discriminatory rates for digital asset mining businesses.

28 359-V:4 Processes Regarding Blockchain Networks.

29 I. No state or local government agency or subdivision thereof shall prohibit any person or
30 business from operating a node for the purpose of connecting to a blockchain protocol or a protocol
31 built on top of a blockchain protocol and transferring digital assets on a blockchain protocol or
32 participating in staking on a blockchain protocol.

33 II. A person engaged in home digital asset mining or a digital asset mining business shall
34 not be required to obtain a money transmitter license under RSA 399-G.

35 III. Operating a node or a series of nodes on a blockchain protocol shall not require an
36 individual or business to obtain a money transmitter license under RSA 399-G.

1 IV. A business offering to provide digital asset mining or staking services for individuals or
2 to other businesses shall not be considered as offering a security or investment contract under RSA
3 421-B.

4 V. Notwithstanding any other provision of law, anyone engaged in digital asset mining,
5 operating a node or series of nodes on a blockchain network, or providing digital asset mining or
6 staking services for individuals or other businesses shall not face liability related to a specific
7 transaction merely by validating that transaction.

8 359-V:5 Civil Remedies.

9 I. Any person directly affected by a violation of this chapter may petition the superior court
10 or the blockchain dispute docket for relief.

11 II. The superior court may order declaratory, injunctive, or other equitable relief.

12 III. Any person who prevails on any claim brought pursuant to this chapter, and shows by a
13 preponderance of the evidence that the defendant engaged in a purposeful violation of this chapter,
14 shall be entitled to an award of reasonable attorney's fees.

15 359-V:6 Severability.

16 If any provision of this chapter or the application thereof to any person or circumstances is held
17 invalid, such invalidity shall not affect other provisions or applications of the chapter which can be
18 given effect without the invalid provision or application. This chapter shall retain its purpose and
19 effect to the maximum extent permitted under the state and federal constitutions, whether through
20 the severance of provisions or applications, judicial injunction or construction, or any other just and
21 proper remedy.

22 4 New Section; Courts; Superior Courts; Blockchain Dispute Docket. Amend RSA 491 by
23 inserting after section 7-b the following new section:

24 491:7-c Blockchain Dispute Docket.

25 I. Without limiting the jurisdiction vested in any court in the state, and subject to the
26 appointment of a presiding justice by the governor with the consent of the executive council as
27 provided in this section, the supreme court may establish by court order not inconsistent with this
28 section, a blockchain dispute docket in the superior court which shall have jurisdiction to hear and
29 determine blockchain technology disputes, as described in this section, when:

30 (a) The parties have consented to the jurisdiction of the blockchain dispute docket by
31 agreement or stipulation; and

32 (b) The dispute concerns "blockchain" technology as defined in RSA 359-V:1.

33 II. The governor, with the consent of the executive council, may appoint the first presiding
34 justice of the blockchain dispute docket, who shall be qualified by reason of such person's knowledge
35 and experience in matters of law and technology. The chief justice of the superior court, following
36 the appointment or designation of the initial presiding justice, may designate such additional

1 justices to preside over blockchain docket cases, as necessary, based upon caseload, disqualification
2 of the presiding justice, or efficient allocation of judicial resources.

3 III. The presiding justice of the blockchain dispute docket shall be an associate justice of the
4 superior court and shall be entitled to the compensation and benefits provided to all such justices
5 under applicable law, including, but not limited to, RSA 491-A:1 and RSA 100-C.

6 IV. The workload of the presiding justice of the blockchain dispute docket shall be the
7 matters before that docket. The presiding justice may be assigned to any other matter within the
8 jurisdiction of the superior court or sit by designation on any other court in the same manner as any
9 other associate justice of the superior court, as determined to be necessary by the chief justices of the
10 superior and supreme courts.

11 V. Subject to the provisions of this section, all civil actions in which the principal claim or
12 claims arise from or involve the following shall be assigned to the blockchain dispute docket for all
13 purposes, including motion practice, discovery, injunctive relief, alternative dispute resolution, and
14 hearing on the merits with or without a jury:

15 (a) Claims arising out of RSA 359-V.

16 (b) Claims arising from breach of contract or fiduciary duties, fraud, misrepresentation,
17 business tort, or statutory violations arising out of blockchain technology dealings or transactions.

18 (c) Other complex disputes of a blockchain technology nature.

19 5 Effective Date.

20 I. Section 4 of this act shall take effect January 1, 2026.

21 II. The remainder of this act shall take effect 60 days after its passage.

**HB 639-FN- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2025-0445h)**

AN ACT relative to the use of and disputes over blockchain and digital currencies.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

| Estimated State Impact | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue | \$0 | Indeterminable | Indeterminable | Indeterminable |
| <i>Revenue Fund(s)</i> | General Fund | | | |
| Expenditures* | \$0 | Indeterminable | Indeterminable | Indeterminable |
| <i>Funding Source(s)</i> | General Fund | | | |
| Appropriations* | \$0 | \$0 | \$0 | \$0 |
| <i>Funding Source(s)</i> | None | | | |

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

The bill creates an act to protect blockchain technology and its users by amending definitions related to decentralized autonomous organizations and establishes a blockchain dispute docket to oversee blockchain related disputes.

The Department of State indicates this bill would limit the Bureau of Securities' authority, which is part of the Secretary of State's office. Specifically, it would prevent the Bureau from regulating digital asset mining or staking services, which would no longer be classified as securities or investment contracts under RSA 421-B. The Bureau would lose its power to seek restitution for New Hampshire investors or collect fines and penalties related to these services. This regulatory authority wouldn't be transferred to another law enforcement body in New Hampshire. The Bureau would reduce expenditures by an indeterminable amount by not needing to investigate or take action against such cases. However, the loss of fines and penalties revenue from successful actions would offset the expenditure savings, leading to a neutral financial impact.

The Judicial Branch anticipates a financial impact of less than \$10,000 of additional costs associated with an increase in litigation, unless a new judge is appointed and not picked from the current judges for the Block chain Dispute Docket. The cost of adding a new judge is around \$350,000 per year. Additionally, the Judicial Branch states the bill is unclear on whether the

Probate Division of the Circuit Court or the Superior Court will have exclusive jurisdiction over spendthrift trusts created to hold cryptocurrency. Furthermore, it does not specify if a smart contract is governed by existing contract laws. The bill does not directly reference the existing RSA 554-A (Revised Uniform Fiduciary Access to Digital Assets Act). These ambiguities could lead to more litigation and, consequently, increased costs.

The Branch states this bill could possibly result in an increase in civil cases in the Superior Court, however, there is no way to predict how many such actions would occur so any such increase is indeterminable. The Judicial Branch has provided average cost information for civil cases in the Superior Court:

NH Judicial Branch Average Civil Case Estimates

| Judicial Branch Average Cost | FY 2025 | FY 2026 |
|--------------------------------------|----------------|----------------|
| Superior Court Complex Civil Case | \$1,430 | \$1,473 |
| Superior Court Routine Civil Case | \$535 | \$552 |

Common Civil Case Fees

| Superior Court Fees | As of 2/12/2020 |
|----------------------------|------------------------|
| Original Entry Fee | \$280 |
| Third-Party Claim | \$280 |
| Motion to Reopen | \$160 |

AGENCIES CONTACTED:

Department of State, Judicial Branch, Judicial Council, Department of Justice, Department of Corrections, New Hampshire Association of Counties, and New Hampshire Municipal Association