



STATE OF ARKANSAS

House of Representatives

REPRESENTATIVE

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DISTRICT 53

Counties:

Part Pope

COMMITTEES:

Judiciary

Aging, Children and Youth, Legislative
and Military Affairs

Rules

1st Alternate,

Legislative Joint Auditing Committee

December 4, 2023

The Honorable Sarah Huckabee Sanders
Governor of Arkansas
State Capitol Building
Little Rock, AR 72201

Dear Governor Sanders:

I am writing to request that a special session be called to repeal the Arkansas Data Centers Act of 2023. It has come to my attention that the bill was misguided and should not have been passed or signed.

It is imperative that this act be replaced with legislation that empowers cities, towns, and counties to decide whether or not they will become home to a crypto mine. The new legislation should grant these localities some measure of control over the use of water and energy by crypto mines, the regulation of noise generated by these facilities, and the enforcement of local zoning laws. Furthermore, the state should assign an agency with regulatory control over the ownership of these mines, the activities allowed by their owners, and the source of financing for these entities.

The recent ruling of a federal judge on a local noise ordinance passed by the Arkansas County Quorum Court serves as proof of the misguided language in this bill. The judge ruled the ordinance discriminatory based on the language of Act 851, essentially stating that crypto miners can operate without regard for the quality of life of those living in any city, town, or county.

This ruling is a violation of our party's professed belief in local control and transparency.

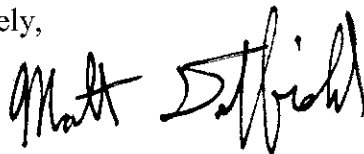
There are other concerns:

- In Texas, where crypto mines are proliferating, projected electricity requirements by 2027 are expected to match or exceed the energy demand of more than 8.3 million homes during periods of peak demand. Inevitably, this kind of consumption in Arkansas will trigger higher energy prices and the kind of rolling blackouts now common in Texas during months of extreme cold and heat.
- In the City of Corsicana, Texas, one Bitcoin mine is using 1.5 million gallons of water per day. Ranchers in the same community were forced to sell their cattle because of a water shortage.
- Unregulated crypto mines in Murphy, North Carolina, require residents to live with noise levels exceeding 95 decibels, the equivalent of standing next to a running motorcycle.

As the representative for my constituents of Pope County, there are serious concerns about the source of money used to finance these expensive operations. Crypto mining was banned in China in 2021 due to noise and environmental problems, and if Chinese money is being used to finance these operations here, it would be prudent to have a state agency that is required to know this information and take appropriate steps to address it.

I respectfully ask for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Duffield". The signature is stylized with a large, looped "M" and a cursive "Duffield".

Matt Duffield
State Representative
District 53

MD/jc