2025 SESSION

25-0715
07/11

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

ANALYSIS

This bill:

I. Creates an act to protect blockchain technology and its users.

II. Amends definitions pertaining to decentralized autonomous organizations.

III. Establishes a blockchain dispute docket to oversee blockchain-related disputes.

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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                 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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:

25 CHAPTER 359-V

26 BLOCKCHAIN BASIC LAWS

27 359-V:1 Definitions.

28 In this chapter:

29 I. "Blockchain" means any technology:

30 (a) Where data is:

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. "Home digital asset mining" means using digital asset mining conducted in an area

30 zoned for residential use and which does not qualify as a digital asset mining business.

31   IX. "Node" means a computational device which contains and updates a copy of a blockchain.

32   X. "Private key" means a unique element of cryptographic data, or any substantially similar

33 analogue, which is:

34   (a) Held by a person;

35   (b) Paired with a unique, publicly available element of cryptographic data; and

36   (c)   Associated with an algorithm that is necessary to carry out an encryption or

37 decryption required to execute a transaction.

1   XI. "Self-hosted wallet" means a digital interface used to secure and transfer digital assets;

2   and under which the owner of the digital asset retains independent control over the digital assets

3   that are secured by such digital interface.

4   XII. "Smart contract" means software code deployed in a blockchain system that consists of

5   a set of predefined and deterministic instructions and conditions that may be executed in a

6   decentralized manner by participants in the underlying blockchain network. Execution of a smart

7   contract shall produce a change in the blockchain state and may autonomously enforce, execute, and

8   record rules and actions, including but not limited to financial transactions, compliance mechanisms,

9   and the creation of irrevocable digital arrangements. A smart contract need not meet the common

10 law requirements of a legal contract to satisfy this definition.

11   XIII. "Staking" means using a node to lock digital assets in order to operate the consensus

12 mechanism of a blockchain protocol.

13 359-V:2 Holding and Use of Private Digital Currency.

14 No state or local government agency or subdivision thereof shall prohibit, restrict, or otherwise

15 impair the ability of an individual to:

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

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

18   III.   Use digital assets as a method of payment without the imposition of any tax,

19 withholding, assessment, or charge based solely on the fact that a digital asset was used as the

20 method of payment.

21 359-V:3 Infrastructure to Run Blockchain Protected.

22   I.   Any person shall be allowed to engage in home digital asset mining as long as the

23 individual complies with all local noise ordinances. A political subdivision shall not place specific

24 limits on sound decibels generated from home digital asset mining other than current limits set for

25 sound pollution put forth by the political subdivision.

26   II. A digital asset mining business may engage in digital asset mining in any area that is

27 zoned for industrial use.

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

29   (a) Set a specific limit on sound decibels generated from home digital asset mining other

30 than the limits set by the political subdivision for sound pollution generally;

31   (b) Set a specific limit on sound decibels generated from a digital asset mining business

32 other than limits set for sound pollution which apply to industrial-zoned areas generally;

33   (c)   Impose any requirement on a digital asset mining business that does not equally

34 apply to all industrial-zoned properties, provided that an agency or subdivision may offer positive

35 incentives that encourage blockchain-related businesses to favor proof-of-stake validation over proof-

36 of-work;

1   (d)   Make a zoning change to an area with a digital asset mining business without

2 conducting all required notice and hearing procedures.

3   IV.   Notwithstanding RSA 677:1, or any related provision of law, a digital asset mining

4 business may appeal any zoning change described herein to the superior court. The court shall

5 prohibit any such zoning change if the change was made to discriminate against a digital asset

6 mining business.

7   V. No state or local government agency or subdivision thereof may establish a rate schedule

8 for digital asset mining that creates discriminatory rates for digital asset mining businesses.

9   359-V:4 Right to Private Keys.

10   I. No person shall be compelled to produce a private key or make a private key known to any

11 other person in any civil, criminal, administrative, legislative, or other proceeding in this state that

12 relates to a digital asset, digital identity, or other interest or right to which the private key provides

13 access.

14   II. A court may compel disclosure of a private key only if the party seeking compulsion

15 demonstrates by clear and convincing evidence that the information or access sought cannot

16 reasonably be obtained through other means, and that lack of disclosure would lead to irreparable

17 harm. The court shall impose appropriate protections to ensure that disclosure is no broader than is

18 necessary to serve the prevailing party's legitimate interests.

19   359-V:5 Blockchain-Based Trusts Recognized.

20   I. Trusts administered through a smart contract shall be subject to the jurisdiction of the

21 courts of this state when RSA 564-B:2-202 is satisfied or if the settlor directed any person or entity

22 located in New Hampshire to create the relevant smart contract.

23   II. In any legal matter involving a trust, any alleged contemnor shall be presumed to have a

24 common law defense of impossibility to the extent that the person is ordered to modify the

25 functionality of a smart contract. This presumption may, in appropriate cases, be overcome by clear

26 and convincing evidence that the smart contract is not decentralized.

27   III. A smart contract may act as the functional equivalent of an irrevocable spendthrift trust

28 if its protocols would satisfy the criteria for such a trust under RSA 564-B:1-103 and RSA 563-B:5-

29 502. Any such smart contract shall have the protections of an irrevocable spendthrift trust under

30 RSA 564-B:5-502.

31   IV. No person shall be lawfully compelled to furnish a plaintiff or court with direct access to

32 a wallet whose sole purpose is to receive and distribute funds from a smart contract governed by

33 paragraph III of this section.

34   V. This section shall not restrain a court from ordering a beneficiary to produce funds

35 received from a smart contract. This section shall not mean that a person may be compelled to

36 provide access to any wallet not described herein.

37   359-V:6 Processes Regarding Blockchain Networks.

1   I. No state or local government agency or subdivision thereof shall prohibit any person or

2   business from operating a node for the purpose of connecting to a blockchain protocol or a protocol

3   built on top of a blockchain protocol and transferring digital assets on a blockchain protocol or

4   participating in staking on a blockchain protocol.

5   II. A person engaged in home digital asset mining or a digital asset mining business shall

6   not be required to obtain a money transmitter license under RSA 399-G.

7   III. Operating a node or a series of nodes on a blockchain protocol shall not require an

8   individual or business to obtain a money transmitter license under RSA 399-G.

9   IV. A business offering to provide digital asset mining or staking services for individuals or

10   to other businesses shall not be considered as offering a security or investment contract under RSA

11   421-B.

12   V. Notwithstanding any other provision of law, anyone engaged in digital asset mining,

13   operating a node or series of nodes on a blockchain network, or providing digital asset mining or

14   staking services for individuals or other businesses shall not face liability related to a specific

15   transaction merely by validating that transaction.

16   359-V:7 Civil Remedies.

17   I. Any person directly affected by a violation of this chapter may petition the superior court

18   or the blockchain dispute docket for relief.

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

20   III. Any person who prevails on any claim brought pursuant to this chapter, and shows by a

21   preponderance of the evidence that the defendant engaged in a purposeful violation of this chapter,

22   shall be entitled to an award of reasonable attorney's fees.

23   359-V:8 Severability.

24   If any provision of this chapter or the application thereof to any person or circumstances is held

25   invalid, such invalidity shall not affect other provisions or applications of the chapter which can be

26   given effect without the invalid provision or application. This chapter shall retain its purpose and

27   effect to the maximum extent permitted under the state and federal constitutions, whether through

28   the severance of provisions or applications, judicial injunction or construction, or any other just and

29   proper remedy.

30   4 New Section; Courts; Superior Courts; Blockchain Dispute Docket. Amend RSA 491 by

31   inserting after section 7-b the following new section:

32   491:7-c Blockchain Dispute Docket.

33   I. Without limiting the jurisdiction vested in any court in the state, and subject to the

34   appointment of a presiding justice by the governor with the consent of the executive council as

35   provided in this section, the supreme court may establish by court order not inconsistent with this

36   section, a blockchain dispute docket in the superior court which shall have jurisdiction to hear and

37   determine blockchain technology disputes, as described in this section, when:

1   (a) The parties have consented to the jurisdiction of the blockchain dispute docket by

2   agreement or stipulation; and

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

4   II. The governor, with the consent of the executive council, may appoint the first presiding

5   justice of the blockchain dispute docket, who shall be qualified by reason of such person's knowledge

6   and experience in matters of law and technology. The chief justice of the superior court, following

7   the appointment or designation of the initial presiding justice, may designate such additional

8   justices to preside over blockchain docket cases, as necessary, based upon caseload, disqualification

9   of the presiding justice, or efficient allocation of judicial resources.

10   III. The presiding justice of the blockchain dispute docket shall be an associate justice of the

11   superior court and shall be entitled to the compensation and benefits provided to all such justices

12   under applicable law, including, but not limited to, RSA 491-A:1 and RSA 100-C.

13   IV. The workload of the presiding justice of the blockchain dispute docket shall be the

14   matters before that docket. The presiding justice may be assigned to any other matter within the

15   jurisdiction of the superior court or sit by designation on any other court in the same manner as any

16   other associate justice of the superior court, as determined to be necessary by the chief justices of the

17   superior and supreme courts.

18   V. Subject to the provisions of this section, all civil actions in which the principal claim or

19   claims arise from or involve the following shall be assigned to the blockchain dispute docket for all

20   purposes, including motion practice, discovery, injunctive relief, alternative dispute resolution, and

21   hearing on the merits with or without a jury:

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

23   (b) Claims arising from breach of contract or fiduciary duties, fraud, misrepresentation,

24   business tort, or statutory violations arising out of blockchain technology dealings or transactions.

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

26   5 Effective Date.

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

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

HB 639-FN- FISCAL NOTE
AS INTRODUCED

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

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from Department of State and Judicial Branch. The Department and Branch were contacted on 1/7/25 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of State and Judicial Branch