



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1236

blockchain technology; tax; fee; prohibition

Purpose

Declares the regulation of the imposition of a tax or fee on a person or entity running a node on blockchain technology to be a matter of statewide concern and preempts further regulation by a city, town or county.

Background

Blockchain technology is a type of distributed ledger technology that uses a distributed, decentralized, shared and replicated ledger, which may be public or private, permissioned or permissionless, or driven by tokenized crypto economics or tokenless. The data on the ledger is protected with cryptography, is immutable and auditable and provides an uncensored truth ([A.R.S. § 44-7061](#)).

A city, town or county may not prohibit or restrict an individual from running a node on blockchain technology in a residence. The act of running a node on blockchain technology means providing computing power to validate or encrypt transactions in blockchain technology (A.R.S. §§ [9-500.42](#) and [11-269.22](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a city, town or county from imposing a tax or fee on any person or entity for running a node on blockchain technology in a residence, except for a tax levied on electricity.
2. Declares the regulation of the imposition of a tax or fee on a person or entity running a node on blockchain technology to be a matter of statewide concern and not subject to further regulation by a city, town or county.
3. Makes technical and conforming changes.
4. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

- Prohibits a city, town or county from imposing a tax or fee on a person or entity that runs a node on blockchain technology in a residence, rather than on the use of blockchain technology by any person or entity.

Senate Action

FIN 2/6/23 DP 4-3-0

Prepared by Senate Research
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MG/sr