

## Testimony on Ohio H.B. 116 – Ohio Blockchain Basics Act

### Eric Peterson, Policy Director, Satoshi Action Fund

To Chair Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the House Technology and Innovation Committee:

Thank you for the opportunity to testify today in support of House Bill 116, the **Ohio Blockchain Basics Act**. My name is Eric Peterson, and I serve as the Policy Director at Satoshi Action Fund, a nonprofit organization dedicated to education and advocacy for Bitcoin and blockchain innovation at the state level. I am here because H.B. 116 is a forward-thinking bill that **strengthens Ohioans' digital property rights and fosters responsible innovation**. This legislation clearly establishes critical protections for the more than a million people **who own a digital asset like Bitcoin**. It also creates the rules of the road for this new technology making Ohio a more attractive place for businesses in the digital asset industry to call home.

Importantly, Ohio is not alone in this effort. **Similar legislation has enjoyed broad bipartisan support around the country**. Laws safeguarding digital asset rights have already been enacted in states like **Louisiana and Oklahoma**, and similar bills are currently awaiting Governors' signatures in **Utah and Kentucky**. Additionally, states such as **Montana and South Carolina** are advancing comparable measures. By passing H.B. 116, Ohio has an opportunity to join and even lead this national movement, **establishing our state as a leader in digital innovation** while providing commonsense consumer protections and fostering economic growth.

### Key Provisions and Benefits of H.B. 116

House Bill 116 contains a comprehensive set of protections and guidelines that will benefit Ohio's consumers, businesses, and economy. **Specifically, the bill will:**

- **Protect the right of Ohioans to self-custody their digital assets.** H.B. 116 guarantees that individuals can control their own cryptocurrency and other digital assets using personal hardware or self-hosted wallets, without being forced to rely on a third-party exchange or custodian. This means Ohio residents can hold and secure their digital property directly, just as they might hold physical cash or gold instead of relying on a bank.

- **Guarantee the freedom to conduct direct digital asset transactions.** The bill ensures Ohioans can engage in peer-to-peer cryptocurrency transactions to buy legal goods and services **without government interference or special fees**. No state or local agency can prohibit the use of digital assets as payment, and no extra taxes or charges can be imposed solely for using crypto. Ohio businesses and consumers will have a clear legal right to transact in digital currency if they choose. Importantly this legislation does not require anyone to accept digital assets as payment unless they want to.
- **Streamlines Tax Treatment for Digital Currency** . H.B. 116 makes using digital currency for everyday purchases easier by **exempting small personal transactions from state income tax on capital gains**. Specifically, if an Ohioan uses cryptocurrency to make a purchase, any gain on that crypto up to \$200 per transaction would be deductible and not subject to state tax. This prevents Ohioans from having to report small day-to-day transactions without providing a loophole anyone who would try to use this exemption for tax evasion.
- **Establish fair zoning protections for digital asset mining operations.** Bitcoin mining, or Bitcoin datacenters which process Bitcoin transactions are a growing business in Ohio. Some of the largest mining companies in the world such as Marathon digital are in Ohio and there are many more bringing jobs and opportunity to rural areas of the state. But there are often concerns about the noise from Bitcoin miners. **HB 116 creates a framework that balances economic growth with the needs of everyday Ohioans. It allows Bitcoin miners to operate any area zoned for industrial use**, so long as they meet the normal requirements of that zoning. **Local governments would be prohibited from targeting or discriminating against mining businesses through abrupt zoning changes** without proper notice and due process. This means Ohio will have a stable, predictable environment for mining enterprises, preventing arbitrary shutdowns of lawful operations and encouraging investment in our communities.

Overall, **House Bill 116 establishes Ohio as a leader in the digital asset and blockchain space**. It strengthens individual rights and choices, provides clarity and fairness for businesses, and lays the groundwork for technology-driven economic growth in our state. By passing this bill, Ohio will attract new businesses and high-paying jobs, **empower our citizens with more financial freedom**, and spur innovation in sectors ranging from finance and energy to art and communications.

Thank you for your time and consideration. I am happy to answer any questions the Committee may have.

