

CRYPTOCURRENCY AND DATA MINING ORDINANCE

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF TOOMBS COUNTY, GEORGIA; MORE SPECIFICALLY CITED AS THE "TOOMBS COUNTY CRYPTOCURRENCY AND DATA MINING ORDINANCE". TO PROVIDE REGULATIONS FOR CRYPTOCURRENCY AND DATA MINING.

WHEREAS, the rapid growth and adoption of cryptocurrency and data mining activities have raised significant concerns regarding environmental impact, energy consumption, and local infrastructure, often requiring substantial amounts of electricity which can strain local power grids and contribute to environmental degradation due to increased carbon emissions;

WHEREAS, unregulated cryptocurrency and data mining activities can lead to increased noise pollution, electronic waste, and other nuisances that adversely affect the quality of life in local communities, necessitating the balance of economic benefits with the protection of public health, safety, and welfare;

WHEREAS, establishing clear regulations for cryptocurrency and data mining operations will help ensure that these activities are conducted in an environmentally sustainable and socially responsible manner, promoting transparency, accountability, and best practices within Toombs County;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Toombs County, hereby adopts provisions that all cryptocurrency and data mining operations relocated to or within the jurisdiction shall comply with, as follows:

Section 1. Purpose.

The purpose of this ordinance is to establish definitions and provide comprehensive regulations relating to cryptocurrency and data mining activities within Toombs County, ensuring that such operations are conducted in a manner that safeguards public health, safety, and welfare and avoids unintended impacts on resources and adjacent uses. By enacting this ordinance, it is the intent of the Board of Commissioners of Toombs County to reduce the environmental footprint of cryptocurrency and data mining by addressing energy consumption, to foster transparency and accountability within the cryptocurrency and data mining sectors through clear guidelines, and coordinate local regulations that create a cohesive framework to addresses cryptocurrency and data mining.

Section 2. Definitions.

The following words, terms and phrases, when used in this chapter/article shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. ***Accessory Structure*** means a detached, permanent or semi-permanent subordinate structure, located on the same lot as the principal structure or use.
- B. ***Commercial Cryptocurrency Mining*** is the commercial process by which cryptocurrency transactions are verified and added to the public ledger, known as the block chain, and also the means through which new units of cryptocurrencies are released through the use of server farms. Any operations requiring a High-Density Load Service, a Cryptocurrency Data Center, or an Accessory Structure for the purposes of operating a cryptocurrency mining server farm will constitute a commercial cryptocurrency mining operation.

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- C. **Cryptocurrency** is a digital currency in which encryption techniques are used to regulate the generation of units of currency and to verify the transfer of funds while operating independently of a central bank.
- D. **Cryptocurrency Data Center** is a leased or owned space devoted to the operating data processing equipment for Commercial Cryptocurrency Mining; excludes spaces for data centers not otherwise engaged in commercial cryptocurrency mining, commercial offices, storage, shipping and receiving, warehousing, or any other space that is not electronic processing.
- E. **Cryptocurrency Server Farm** is three or more interconnected computers housed together in a single facility whose primary function is to perform cryptocurrency mining or associated data processing.
- F. **Data Mining** is the commercial process by which volumes of data are analyzed to find patterns, discover trends, and gain insight into how the data can be used will. Any form of data mining will constitute a commercial data mining operation.
- G. **High-density Load Service** is any individual service at or above 600 amps in which the Energy Use Intensity (EUI) is calculated as greater than 250 kWh per feet² per year in total for all operating square footage.
- H. **International Building Code (IBC)** is a model building code developed by the International Code Council. It has been adopted for use as a base code standard by most jurisdictions in the United States.
- I. **International Residential Code (IRC)** is a part of the International Building Code (IBC) that sets buildings standards for residential structures.
- J. **Mining Operation** encompasses all activities related to Commercial Cryptocurrency Mining and/or Data Mining. This includes but is not limited to (i) all equipment and infrastructure necessary for mining operations (i.e., computing devices, servers, cooling systems, electrical systems, power supply units, etc.), (ii) any buildings or spaces used explicitly for mining operations (i.e., Cryptocurrency Data Centers and Cryptocurrency Server Farms), and (iii) and Accessory Structures.
- K. **National Electric Code (NEC)** is a regionally adoptable standard for the safe installation of electrical wiring and equipment. It is developed by the National Fire Protection Association and is typically adopted by states and municipalities, sometimes with amendments, in an effort to standardize their enforcement of safe electrical practices.
- L. **Power grid** is an interconnected network for delivering electricity from producers to consumers. In a power grid, generating stations produce electric power, which is then sent through a substation in order to adjust the voltage. The power is then sent from the substation to high-voltage transmission lines. From there, distribution lines provide power to individual consumers.
- M. **Setback** is the area between the boundary of a land parcel and the part of the land parcel in which structures may be constructed, as specified in the applicable local regulations.

Section 3. Applicability.

This ordinance shall apply to all mining operations installed, constructed, or modified after the effective date of this Ordinance.

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Mining operations in place before the effective date of this ordinance shall not be required to meet the requirements of this ordinance unless abandonment, closure, replacement, alteration, or expansion of operation thereon is enacted.

All mining operations shall be designed, erected, and installed following all applicable Local, State, and Federal codes, regulations, and standards.

Section 4. General Standards for Cryptocurrency and Data Mining Operations

- 4.1 *Abandonment/Removal of Facilities.* Any mining operation that is not operated for a continuous period of twelve (12) months and for which there are no applications pending for permitted use of the structure at the end of such twelve-month period, shall be considered abandoned, whether or not the owner or operator intends to make use of the device(s). The owner of an abandoned server farm or mining operation, and the owner of the property where such is located shall be under a duty to remove facilities, components, and equipment relating to the mining operations. If such facilities are not removed within a reasonable time, not to exceed ninety (90) consecutive days, after receipt of notice from the governing authority notifying the owner(s) of such abandonment, the governing authority may remove such facilities and place a lien upon the property for the costs of removal. The governing authority may pursue all legal remedies available to it to insure that abandoned component(s) are removed. Delay by the governing authority in taking action shall not in any way waive the governing authority's right to take action.
- 4.2 *Airport Regulations.* No mining operations may be installed within 1 nautical miles of an airport or helipad without the approval of an airport or helipad's appropriate authority before construction.
- 4.3 *Building Permits and Structural Safety.* All applicable building permits must be obtained prior to the construction of a mining operation.
- 4.4 *Design Compliance.* The design of a mining operation must conform to applicable local, state, and national standards, and to all local regulations. All design and installation work must comply with the National Electric Code (NEC), the International Residential Code (IRC), the International Commercial Building Code, the State Fire Code, and any additional requirements set by the local utility for grid-connected systems or by the Toombs County Code Enforcement Department.
- 4.5 *Electrical Connections.* All electrical interconnection and distribution lines within a mining operation's boundaries, except for power lines that leave the project or are within a substation, shall be underground, unless Toombs County Code Enforcement Department grants a written exception due to severe environmental constraints.
- 4.6 *Emergency Response Plan.* Mining operations shall have a written emergency response plan that shall be approved by the Toombs County Code Enforcement Department, sheriff's office, fire department, and emergency management agency. Each operation shall update its emergency response plan no later than January 1 of each year with a copy provided to all departments and agencies named in this subsection. The emergency response plan shall include the following:
 - (i) Phone number, email address, and street address for all manufacturers, installers, owners, and operators; and
 - (ii) Phone number, email address, and mailing address for a representative of the operation responsible for responding to public inquiries; and
 - (iii) Material safety data sheets that apply to any materials of the operation's facility; and

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- (iv) Clearly marked means and instructions for shutting down the operation.
- 4.7 *Equipment Space.* Any equipment used in a mining operation shall be housed in a metered, electrically grounded, and pre-engineered metal-encased structure with a fire rating designed to resist an internal electrical fire for at least 30 minutes. The containment space shall contain baffles that will automatically close in the event of fire independent of a possible electric system failure.
- 4.8 *Fencing.* The perimeter of mining operations, including any visual buffer, shall be enclosed by a black or green coated-chain link fence with a height of at least six feet, a gate, and locking mechanism to deny access to any individuals not authorized to be on the property and for public safety. All mining operation shall have a knock box entry system at the primary entrance, which shall comply with the specifications of the International Fire Code.
- 4.9 *Noise.* Mining operations must adhere to the noise standards to avoid contribution to excessive noise pollution. The following noise limits shall apply:
 - (i) During daytime hours (8:00 AM to 7:59 PM), the continuous sound level generated by the mining operation shall not exceed 50 decibels, measured at a distance of 25 feet from the property line of the mining operation.
 - (ii) During nighttime hours (8:00 PM to 7:59 AM), the continuous sound level generated by the mining operation shall not exceed 35 decibels, measured at a distance of 25 feet from the property line of the mining operation.
- 4.10 *Ownership and Maintenance.* Unless otherwise specified in a contract or agreement, the property owner of record will be presumed responsible for owning and maintaining the mining operations on their property, and they will also be responsible for remove facilities, components, and equipment of the operation unless specified otherwise.
- 4.11 *Pollution Restrictions.* Any use or activity producing air, dust, smoke, glare, exhaust, heat, or humidity in any form shall be carried on in such a manner that it is not perceptible at or beyond the property line.
- 4.12 *Setbacks.* Mining operations shall have a setback of at least two hundred fifty (250) feet from the property line.
- 4.13 *Signage.* Brightly colored signs, no smaller than one foot by two feet, shall be posted on the perimeter fence of mining operation. These signs shall be placed at intervals of every 100 feet and must include the following information:
 - (i) Owner/Operator Identification: Name(s) and phone number(s) of the owner, operator, and installer of the mining operations; and
 - (ii) Emergency Contact Information: A 24-hour emergency contact phone number.

All signage shall comply with applicable State, Federal, and county requirements for displaying advertisements or signage. The signs shall be maintained in good condition for the lifetime of the mining operation. The responsibility for maintaining the signage lies with the owner or operator of the facilities.

Signs containing educational information about Cryptocurrency, Data Mining, and Mining Operations may also be posted, provided they do not interfere with the primary warning and informational signage requirements.

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- 4.14 **Structure Requirements.** All principal and accessory structures used for mining operations shall be arranged, designed, and constructed to be harmonious and compatible with the site and with the surrounding properties in a manner that reduces its unsightly view from residential dwelling units and/or roadways. The followed standards are also required:
- (i) All structures shall have concrete foundations;
 - (ii) All exterior facades shall have muted earth tone colors;
 - (iii) No structure shall be defective, decayed or corroded; and
 - (iv) Shipping containers shall not be used as a structure for mining operations.
- 4.15 **Utility Grid Connection.** Mining operations may not be connected to any electric utility grid without prior approval from the applicable electric utility entity. Prior to operation, all electrical connections must be inspected by an authorized electrical inspector/agency and approved by the Toombs County Code Enforcement Department. Prior to approval by the Toombs County Code Enforcement Department, the applicant shall provide written verification from the electrical service provider stating the following:
- (i) Adequate capacity is available on the applicable supply lines and substation to ensure that the capacity available to serve the other needs of the service area is consistent with the normal projected load growth envisioned by the provider;
 - (ii) Utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed use;
 - (iii) The use will not cause electrical interference or fluctuations in line voltage on and off the operating premises; and
 - (iv) Written verification that the electrical work has passed the third-party's final inspection.
- 4.16 **Vegetation Maintenance.** Clearing of natural vegetation shall be limited to that which is necessary for the construction, operation, and maintenance of the mining operation and consistent with best practices for the preservation of natural areas or good husbandry of the land or forest. Except for the visual buffer and the areas not cleared for construction or returned to natural vegetation by replanting of trees, the height of any vegetation within a mining operation shall not exceed twelve inches and shall be no less than two inches in height over the soil surface.
- 4.17 **Visual Buffer.** Except for areas of ingress and egress into the site of a mining operation, all mechanical equipment, structures, and components of operations shall have, to the extent reasonably practicable, a visual buffer of natural vegetation and/or plantings to provide a reasonable visual screen to reduce the unsightly view of the mining operation.
- (i) The visual buffer shall consist of shrubbery, trees, and/or other non-invasive plant species which provide a screen with a mature height of at least six (6) feet above the tallest structure or component.
 - (ii) The visual buffer should be no less than one hundred (50) feet from any federal or state highway and fifty (100) feet from any county roadway.
 - (iii) The visual buffer shall be maintained for the life of mining operation at the responsibility of the owner or operator of the mining operation.
- 4.18 **Waivers.** The Toombs County Code Enforcement Department may, in its reasonable discretion, waive any of the above-listed conditions which are not reasonable in light of the nature of the project and may add additional conditions or safeguards as needed for public health, safety, and

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welfare or to mitigate the impact of the facility on surrounding properties and uses. Violations of any such additional conditions or safeguards shall be a violation of this Ordinance.

- 4.19 *Waste.* All waste generated by mining operations must be disposed of in accordance with applicable state, federal, and local laws and regulations. Electronic waste, including discarded electronic devices and components (i.e., computers, servers, and other hardware) must be disposed of through approved recycling or disposal methods. Additionally, mining operations must maintain records of e-waste disposal, including the quantity of e-waste disposed of, the method of disposal, and the disposal or recycling facility used. These records must be made available to Toombs County Code Enforcement Department and other applicable regulatory authorities upon request.

Section 5. Application for Permit, Fee, and Revocation of Permit.

- 5.1 *Application Requirement.* Before commencing the operation of any Commercial Cryptocurrency and/or Data Mining, the owner(s) or operator(s) of any such operations shall submit an application for a mining permit on the form prescribed by the Toombs County Code Enforcement Department and shall provide proof of compliance with all the respective standards outlined in this Ordinance. The "Toombs County Cryptocurrency and Data Mining Permit Application" must include the following components:

- (i) **Basic Information:** The applicant shall provide a document that includes:
 - (a) The address of the property where the mining operation will be located.
 - (b) The applicant's name, address, telephone number, and email address.
 - (c) The property owner's name, address, telephone number, and email address.
 - (d) The operator's name, address, telephone number, and email address.
 - (e) Evidence of the applicant's control of the property, such as a deed, lease, or option agreement with the landowner.
- (ii) **Comprehensive Site Plan:** The applicant shall submit the following based on the most current and accurate information available:
 - (a) A site plan depicting the locations of all existing and proposed structures, including, inverters, transformers, water tanks, cooling systems, grading, substations, lighting, computers, landscape plans, buildings, property lines, rights-of-way, roads, required setbacks, and visual buffers.
 - (b) A visual buffer plan that demonstrates compliance with the following:
 - (1) Minimizing impacts on adjacent properties as required by this ordinance.
 - (2) Preserving natural tree growth and landforms along the perimeter of the property as required by this ordinance.
 - (3) Adhering to additional visual buffer requirements set forth in this Ordinance.
 - (c) A list identifying (a) federal or state endangered, threatened, or candidate species that may be present on the property or within 1,000 feet and (b) critical habitat on the property or within 1,000 feet.
 - (d) A plan for removal of the mining operation that includes:
 - (1) Name, address, phone number, and email address for the responsible person(s) or entity;
 - (2) Detailing of the structures, components, and non-utility owned equipment to be removed.
 - (3) A plan for recycling or reusing materials to the extent practicable.
 - (4) A restoration plan to return the property to a condition suitable for the designated land use.

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- (5) A timeline for completing the removal that meets the requirements set forth in Section 4.1 of this Ordinance.
- (iii) **Certifications:** The applicant shall submit an affidavit affirming:
 - (a) The construction and operation of the Commercial Cryptocurrency and/or Data Mining facility will comply with all applicable federal and state laws.
 - (b) The construction and operation of the Commercial Cryptocurrency and/or Data Mining facility will comply with all local laws, including this Ordinance.
- 5.2 **Inspection.** No property owner or facility operator shall commence operations until it has been inspected by the Toombs County Code Enforcement Department and obtained the permit required by this section.
- 5.3 **Review of Application.** Upon receiving a Cryptocurrency and Data Mining Permit Application, the Toombs County Code Enforcement Department shall conduct permitting proceedings. An application may be denied if it is determined the mining operation does not comply with local requirements.

In reviewing an application, the Toombs County Code Enforcement Department shall consider various criteria, including but not limited to the following:

 - (i) the effect of the proposed activity on traffic flow along adjoining streets;
 - (ii) the amount and location of open space;
 - (iii) the adequacy of screening to protect adjacent property from any negative impacts;
 - (iv) the provision of ingress and egress to the property;
 - (v) the compatibility of the proposed use with adjacent uses and any negative impacts;
 - (vi) whether the proposed use is consistent with the Comprehensive Plan; and
 - (vii) any other factors necessary to provide adequate protection for the health, safety, and welfare of Toombs County citizens.
- 5.4 **Approval.** The applicant shall provide additional copies of the Comprehensive Site Plan to the Toombs County Sheriff's Office, Fire Department, and Emergency Management Agency. The Comprehensive Site Plan must be approved in writing by the Toombs County Code Enforcement Department before an applicant may receive a permit or commence operations.
- 5.5 **Permit Fee.** At the time of application, each applicant shall pay a non-refundable permit fee of one-hundred dollars (\$100) to the Toombs County Code Enforcement Department.
- 5.6 **Decommissioning Bond.** Within thirty (30) days of the approval of a mining operation permit, the applicant must provide a bond to ensure that funds are available for removing the facility and restoring the site to its natural condition. The bond shall be in the form of cash or a surety from a bonding company qualified to transact business in the State of Georgia and acceptable to the Toombs County Code Enforcement Department. The bond shall be payable to Toombs County and set at an amount determined by the Toombs County Code Enforcement Department to be sufficient to cover the complete removal of the facility and the reasonable restoration of the site to its natural condition. This bond must be maintained for the entire duration of the facility's existence, irrespective of its operational status. Should the bond not be maintained as required, Toombs County has the right to call the bond and use the proceeds to fully remove the facility and reasonably restore the site to its natural condition. The bond may be released or returned once the Toombs County Code Enforcement Department reasonably determines that the removal of the facility has been completed in accordance with all applicable ordinances and federal and state laws.

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5.7 *Revocation of Permit.* A permit may be revoked by the Toombs County Code Enforcement Department for any mining operation that is not in full compliance with this article. Prior to revoking the permit, the Toombs County Code Enforcement Department shall provide seven (7) days' written notice of the deficiencies to the facility owner or operator via U.S. Mail, overnight delivery, or hand delivery. If the deficiencies are not corrected within seven days of notification, the Toombs County Code Enforcement Department may revoke the facility's permit and require the facility to submit a new application before recommencing operations. During the time that a mining operation permit is revoked, the facility shall post a sign at each entrance to the facility no smaller than one foot by two feet stating: "This facility's operations have ceased due to noncompliance with the Toombs County Code of Ordinances. For more information, contact the Toombs County Code Enforcement Department."

Section 9. Inspection.

The Toombs County Code Enforcement Department shall have the right to inspect any mining operation in Toombs County without notice if there is an established risk of immediate harm or injury to a person or property. If there is no established risk of immediate harm or injury to person or property, the Toombs County Code Enforcement Department shall have the right to inspect any operation upon making reasonable efforts to notify the owners or operators twenty-four (24) hours in advance of the inspection.

Section 10. Enforcement and Penalties.

Any owner of a mining operations in Toombs County is responsible for ensuring compliance with this Ordinance. If a violation is identified, the owner will receive a notice from the Toombs County Code Enforcement Department. The notice will provide the owner with seven (7) days from the receipt of the notice to correct the issue. Should the violation remain uncorrected after this period, the owner will be issued a citation for the first offense. The Toombs County Sheriff, the deputies thereof, constables, officers of the Toombs County Code Enforcement Department, and all other law enforcement officers shall be authorized to issue citations to violators of any provisions of this Ordinance. Such citation shall state the time and place at which the accused is to appear for trial; shall identify the offense with which the accused is charged; shall have an identifying number by which it shall be filed with the court; shall indicate the identity of the accused and the date of service; and shall be signed by the officer who completes and serves it. The owner will then be subject to appearance in Toombs County Magistrate Court, and, upon conviction, may be fined up to \$1,000.00, incarcerated for up to 6 months, or both. Each day the violation continues after the first offense citation may constitute a separate offense. Any judgement of the Toombs County Magistrate Court may be appealed to the Toombs County Superior Court.

Section 11. Severability.

Should any sentence, section, subsection or provision of this Ordinance or application of a provision of this Ordinance be declared invalid or unconstitutional by any Court or other competent jurisdiction, such declaration shall not affect the validity of the Ordinance as a whole or any part thereof that is not specifically declared to be invalid or unconstitutional.

Section 12. Repealer and Effective Date.

All ordinances or parts of ordinances in conflict with this ordinance are repealed. This ordinance shall be effective and in full force from and after the date of its adoption.

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Passed in regular session of the Board of Commissioners of Toombs County, Georgia on the ____ day of _____, 2024

David Sikes, Chairman

Darriel Nobles, Vice-Chairman

So approved and certified by:

Helen Harris, Toombs County Clerk

Date: _____

COUNTY SEAL

