

VILLAGE OF SHERBURNE

LOCAL LAW NO. 2 OF 2021

**A LOCAL LAW IMPOSING A TWELVE (12) MONTH MORATORIUM ON NEW
CRYPTOCURRENCY MINING BUSINESSES**

Be it enacted by the Trustees of the Village of Sherburne, as follows:

SECTION 1. INTENT.

It is the intent of the Trustees of the Village of Sherburne to impose a twelve (12) month moratorium on the establishment, creation, maintenance, advertisement and/ or operation of new cryptocurrency business (mining) within the Village of Sherburne Electric Territory. This local law is enacted under the authority of Section 10 of the New York Municipal Home Rule Law.

SECTION 2. LEGISLATIVE PURPOSE.

Pursuant to the statutory powers vested in the Village of Sherburne to safely and in a cost effective manner operate an Electric Utility, the Trustees of the Village of Sherburne hereby declares a temporary moratorium on the establishment, creation, maintenance, advertisement and/ or operation of new cryptocurrency business (mining) within the Village of Sherburne Electric Territory. The Village Board has become aware of the need to fully review and analyze the current state of cryptocurrency mining and the potential impact of such business within the Village electric system. It is the concern of the Village Board that although such business use may provide employment and economic benefits to some individuals and businesses in the area, cryptocurrency mining may also have negative impacts physically on the distribution system, and economically on the rate-payers.

The Trustees of the Village of Sherburne desire to address, in a careful manner, the issues raised by cryptocurrency mining use on a comprehensive basis, rather than on an ad hoc basis, with the goal of adopting Tarriff(s) to properly regulate the same. The Village Board is now in the process of considering various options relating to this issue and the Board finds and determines that it needs this period of time to study the entire issue, and draft proposed Tarriff(s), schedule and hold the required public hearings on such changes, perform an appropriate review for such changes and, comply with applicable provisions of law regarding the adoption of Tarriff(s) modification.

SECTION 3. DEFINITIONS.

CRYPTOCURRENCY – cryptocurrency, crypto-currency, or crypto is a binary data designed to work as a medium of exchange wherein individual coin ownership records are stored in a ledger existing in a form of a computerized database using strong cryptography to secure transaction records, to control the creation of additional coins, and to verify the transfer of coin ownership.

CRYPTO MINING - the process of gaining cryptocurrencies by solving cryptographic equations with the use of high-power computers. ... As the outcome of this work, the miners receive pay with cryptocurrency. This method is called mining as it allows new coins into circulation.

SECTION 4. MORATORIUM.

A. The Trustees of the Village of Sherburne hereby enacts a twelve (12) month moratorium on the establishment, creation, maintenance, advertisement and/ or operation of new cryptocurrency business (mining) within the Village of Sherburne Electric Territory.

B. This moratorium shall be in effect for a period of twelve (12) months from the effective date of this Local Law and shall expire on the earlier of: (i) the date twelve (12) months from said effective date of this local law, unless renewed; or (ii) the enactment by the Village Board of a resolution indicating the Village Board is satisfied that the need for the moratorium no longer exists.

C. This moratorium shall apply to all new cryptocurrency mining within the Village of Sherburne Electric System.

SECTION 5. PENALTIES.

Any individual, partnership, firm or corporation that shall establish, construct, reconstruct, relocate, enlarge or modify any site to be used for cryptocurrency mining in violation of the provisions of this local law, shall be subject to immediate disconnection of their electric service.

SECTION 6. ENFORCEMENT.

This local law shall be enforced by the Superintendent of Electric for the Village of Sherburne or such other individual(s) as designated by the Village Board. It shall be the duty of the enforcement individual(s) to advise the Village Board of all matters pertaining to the enforcement of this local law.

SECTION 7. VALIDITY AND SEVERABILITY.

If any section or part of this local law is declared invalid or unconstitutional, it shall not be held to invalidate or impair the validity, force, or affect any other section of this local law.

SECTION 8. EFFECTIVE DATE.

This local law shall take effect immediately upon passage and thereafter shall be filed with the New York State Department of State and shall remain in force and effect for a period of twelve (12) months from the date of passage.