

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION ESTABLISHING A COUNTY-WIDE CRYPTOCURRENCY MINING INTERIM ZONING OVERLAY DISTRICT IN MISSOULA COUNTY, MONTANA, TO BE EFFECTIVE IMMEDIATELY FOR A PERIOD OF ONE YEAR.**

**WHEREAS**, Montana Code Annotated §76-2-201 authorizes the Board of County Commissioners to adopt zoning regulations; and,

**WHEREAS**, the Board of County Commissioners did adopt zoning regulations for Missoula County through passage of County Resolution No. 76-113, as amended; and,

**WHEREAS**, Montana Code Annotated §76-2-206 provides for the establishment of an interim zoning district or regulation as an emergency measure in order to protect public health, safety, morals, and general welfare in its jurisdictional area; and,

**WHEREAS**, the Board of County Commissioners concludes that an emergency exists relative to impacts from cryptocurrency mining and that the county therefore has an obligation to take action to protect public health, safety, morals, and general welfare; and,

**WHEREAS**, the impacts of cryptocurrency mining may adversely affect life, health, property and the environment; and,

**WHEREAS**, Missoula County has initiated an investigation relative to cryptocurrency mining impacts; and,

**WHEREAS**, Missoula County needs time to further study the impacts of cryptocurrency mining operations to determine zoning regulations necessary to adequately address the siting and permitting process for cryptocurrency mining operations; and,

**WHEREAS**, cryptocurrency is a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds; and,

**WHEREAS**, cryptocurrency mining is a continuous process where computers work to solve algorithms to maintain and build an algorithmic chain, or blockchain, and in exchange are granted cryptocurrency; and,

**WHEREAS**, typical physical characteristics of cryptocurrency mining include specialized computer hardware, high electricity use, and the use of equipment to cool the hardware; and,

**WHEREAS**, the region's low electricity rates and cool climate have made Missoula County attractive for locating cryptocurrency mining operations; and,

**WHEREAS**, the 2016 Missoula County Growth Policy includes several guiding principles that are particularly relevant to the county's consideration of the growth and impacts of cryptocurrency mining operations:

- Local government should strive to make decisions that are environmentally sound, fiscally responsible, and supportive of healthy communities over the long term.
- The right to a clean and healthful environment is fundamentally important. Missoula County's natural and cultural resources make this place unique; they should be conserved, enhanced and enjoyed.
- Local government decision-making should consider the impacts of and adaptation to climate change in policy and regulatory decisions.
- Economic measures should focus on long term economic development that is fiscally-responsible and does not unduly compromise quality of life or the natural environment.
- Missoula County will strive to protect public health, safety, and welfare in a fiscally-responsible manner; and,

**WHEREAS**, Objective 4.1 of the 2016 Missoula County Growth Policy is to:

4.1 Reduce Missoula County's contribution to climate change; and,

**WHEREAS**, in order to reduce the county's contribution to climate change, Missoula County has committed to a goal of carbon neutrality in county government operations by 2035, and to a goal of 100% clean electricity for the Missoula urban area by 2030; and,

**WHEREAS**, a single transaction in Bitcoin, the largest cryptocurrency, consumes thousands of times more energy than a conventional credit card transaction, and the estimated total electricity consumption of cryptocurrency mining in Missoula County is equivalent to one-third of residential electricity consumption in the county, and will rise to the level of 100% of residential electricity consumption in the county if planned expansions are carried out; and,

**WHEREAS**, the large and increasing energy consumption of cryptocurrency mining operations results in increased greenhouse gas emissions that cause climate change; and,

**WHEREAS**, the Intergovernmental Panel on Climate Change (IPCC) in its 2018 Special Report on Global Warming of 1.5°C, which was written by 91 scientists from 40 countries and based on more than 6,000 scientific studies, found that human activities have already caused the Earth to warm by 1°C, and that allowing warming to exceed 1.5°C degrees will result in massive impacts on ecosystems, human health, and economic and social well-being; and,

**WHEREAS**, the Montana Climate Assessment determined that impacts of climate change in Northwest Montana, including Missoula County, will include reduced low-elevation snowpack, earlier spring snowmelt, hotter summers, and more frequent and intense wildfires and floods, and that these impacts will be more severe if global greenhouse gas emissions are not reduced sharply in the near future; and,

**WHEREAS**, Missoula County is already suffering the impacts of climate change especially in the form of more frequent and intense wildfires and wildfire smoke; and,

**WHEREAS**, equipment at cryptocurrency mining facilities has the potential to create noise pollution that negatively impacts nearby residents, businesses, and wildlife; and,

**WHEREAS**, electronic waste from cryptocurrency mining operations contains heavy metals and carcinogens that have the potential to damage human health, water quality, and air quality if not handled correctly; and,

**WHEREAS**, a notice of public hearing was advertised in the Missoulian on March 17 and 31, 2019, for adoption of a resolution to enact interim zoning regulations pertaining to cryptocurrency mining; and,

**WHEREAS**, a hearing was held by the County Commissioners of Missoula County on April 4, 2019, in order to give the public an opportunity to be heard regarding the proposed interim zoning regulation; and,

**WHEREAS**, the Missoula Board of County Commissioners conducted three other public hearings - on June 14 and September 27, 2018, and March 14, 2019 - in order to receive public comment on cryptocurrency mining and discuss impacts and options for mitigation; and,

**WHEREAS**, the Board of County Commissioners finds that it is in the best interests of the County and its citizens to impose interim zoning controls for a period of one year to provide more time to investigate this issue further to evaluate the best alternatives for the community.

**NOW, THEREFORE BE IT RESOLVED**, that the Missoula County Board of County Commissioners authorizes interim zoning to create a county-wide Cryptocurrency Mining Zoning Overlay District in the manner shown in the proposed zoning regulations (Attachment A), effective immediately and for a duration of one year, which may be extended for one additional year upon approval of the County Commissioners:

**SEVERABILITY.** If a court of competent jurisdiction declares any provision in this resolution to be contrary to law, such declaration shall not affect the validity of the other provisions of this resolution.

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**PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF APRIL 2019**

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
MISSOULA COUNTY

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Tyler Gernant, Clerk and Recorder

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Nicole Rowley, Chair

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Josh Slotnick, Commissioner

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Dave Strohmaier, Commissioner

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