

Bitcoin Mining Ordinance

Ordinance No. 61

This Ordinance of Horton Township in the County of Elk in the Commonwealth of Pennsylvania is created to define and regulate the business of Bitcoin Mining and its related operations.

WHEREAS, the Township of Horton (hereinafter, the “Township”) is a Second Class Township and, thus, functions pursuant to the powers granted by the Second Class Township Code, 53 P.S. §§65101, et. al. (hereinafter, the “Code”);

WHEREAS, the Township maintains its office location at 5275 Route 219, Box 216, Brockport, PA 15823;

WHEREAS, the Code grants the Township’s Board of Supervisors (hereinafter, the “Board”), the authority to “...*make and adopt any ordinances, bylaws, rules and regulations...for the proper management, care and control of the township and its finances and the maintenance of peace, good government, health and welfare of the township and its citizens, trade, commerce and manufacturers.*” 53 P.S. §66506;

WHEREAS, the Township now seeks to adopt this Ordinance to regulate the business of bitcoin mining within its boundaries so as to preserve the peace and welfare of its citizens and properly provide for the operations and control of such industry pursuant to its authority as granted by 53 P.S. §66601 (pertaining to Ordinances);

AND NOW, there being no preemptive law, statute or regulation regarding the business of bitcoin mining, the Board hereby ordains and decrees as follows;

SECTION I Purpose of the Ordinance

This Ordinance is enacted to regulate the business and industry surrounding bitcoin mining operations in order to preserve the health, safety and welfare of the citizens of Horton Township such that they may have quiet enjoyment of their property and well-being.

SECTION II Definitions

“Bitcoin” – A form of cryptocurrency that uses decentralized digital currency to control the creation and transfers of money rather than relying on a central authority thereby enabling instant payments to anyone in the world.

“Bitcoin Mining” – The process of verifying transactions on the Bitcoin blockchain by solving mathematical puzzles for which miners are rewarded with new Bitcoin. This definition includes all types of cryptocurrency mining as may be otherwise described.

“Bitcoin Mining Operation” – A building, location, container, facility, or other similar unit, permanent or temporary, where bitcoin mining occurs or such activities are undertaken.

“Building” – Any enclosed structure consisting of walls and a roof.

“Container” – A storage and/or transport unit designed for uses such as shipping and transport of goods and materials by a transportation vehicle such as a tractor trailer or railcar.

“Cryptocurrency” – Digital currency designed to work as a medium of exchange through a computer network that is not reliant on any central authority, such as a government or bank, to maintain or uphold its value.

“Location” – The actual physical site of the building and operations center, and all other required associated components.

“Noise” - Unwanted sounds that are considered unpleasant, loud or disruptive that interfere with normal activities such as sleeping, working and regular conversation or that disrupts and diminishes one's quality of life.

“Operations Center” – The building or facility in which computer systems and all associated components such as data communication connections, environmental controls, power supplies and security devices are housed.

“Person” – A corporation, partnership, association, limited liability company, or natural person.

“Sound” – A vibration that creates an acoustic wave resulting in that which is audible and/or discernible to a human's hearing or senses.

SECTION III

Building and Location Requirements

3.1 All cryptocurrency and/or bitcoin mining operations shall occur within a fully enclosed building. Such building must:

3.1.1 Conform to all appropriate building codes and requirements.

3.1.2 Contain noise suppression materials and/or systems specifically designed to mitigate and reduce the noise created by its operations.

3.1.3 Maintain required fire safety and suppression systems as necessary for its specific operations.

3.1.4 Provide adequate ventilation as required for the operation of systems.

3.1.5 Have appropriate security systems necessary for its operations both inside and outside of its facilities.

3.1.6 Minimize its environmental impact on the surrounding community.

3.2 Locations for cryptocurrency and/or bitcoin mining operations must be selected by applicants so as to minimize the noise and light pollution impact on the residents and businesses nearest the building and/or operations center.

3.3 All buildings, operations centers and accessory structures, containers or structures must be surrounded and enclosed within a fence of not less than six (6') feet in height containing appropriate signage advising the public that such grounds, location and buildings are under surveillance and restricted access only. Such signage shall also warn the public of the potential dangers of trespassing on the location.

SECTION IV

Application for Permit

4.1 All persons or businesses seeking to engage in the business of bitcoin mining must file an application with the Board outlining and/or containing the following:

4.1.1 Documentation regarding the structure of any business entity, including but not limited to Articles of Incorporation, Certificate of Registration, bylaws, operating agreements, and/or partnership agreements.

4.1.2 Identity of all owners of the bitcoin mining operation highlighting those directly responsible for public relations and overall operations.

4.1.3 A site plan of the facility and grounds upon which normal business operations will occur including the locations of all property lines, setbacks, access roads, buildings, ancillary buildings and other relevant measurements.

4.1.4 A detailed description of the noise suppression systems to be in regular use during operations.

4.1.5 Copies of any relevant leases or other agreements with any and all relevant landowners.

4.1.6 A detailed description of the operations to be undertaken, the security measures, power sources and the effect on the surrounding communities, cooling operations and anticipated noise decibel levels measured from the fence surrounding the facility and the nearest residence or business.

4.2 All persons or businesses seeking to engage in the business of bitcoin mining must also secure any business, building or other relevant and necessary permits.

SECTION V

Operation Requirements

5.1 Within thirty (30) days of becoming operational and quarterly thereafter, the bitcoin mining business must submit to the Board:

5.1.1 A detailed noise evaluation report completed by a qualified technician outlining the decibel levels of the operation from distances of the fencing, the nearest business or residential or property line, and at 500 feet from the operations center.

5.1.2 Certification of the accuracy of the noise measuring equipment together with the qualifications of the technician.

5.2 Nothing in this Ordinance shall prohibit the Township from undertaking its own independent actions to verify compliance with this Section and require additional measures as may be required in its sole discretion to comply with the requirements of this Ordinance.

5.3 A bitcoin mining operation may not exceed 50 decibels of noise when measured from the nearest point of operations to the closest property line adjacent thereto.

5.4 All facility lighting and security systems shall be installed and maintained so as not to disrupt or interfere with the reasonable peace and quiet enjoyment of the surrounding businesses and residents of the Township. The Township shall have complete discretion to determine if such disruption or interference occurs.

SECTION VI

Enforcement

6.1 Violations of any part of this Ordinance may result in the denial or revocation of a permit to engage in bitcoin mining operations within the Township.

6.2 The Township may engage any individual in its employ or under its agency to enforce the provisions contained herein.

6.3 Any violation of the provisions relating to bitcoin mining operations as outlined in this Ordinance shall initially result in written warning for correction of same. Such business or individual shall have thirty (30) days to correct such violation or be subject to the following:

6.3.1 A summary offense pursuant to 53 P.S. §66601(c.1)(2) resulting in a fine of up to \$1,000.00 and possible imprisonment as provided by law.

6.3.2 Each day of a continuing violation shall constitute a new and separate violation until cured.

6.3.3 Fines and penalties resulting from a violation of this Ordinance shall be payable to the Treasurer of Horton Township.

6.4 Nothing in this Section shall prohibit the Township from seeking a preliminary or permanent injunction in the Court of Common Pleas of Elk County, Pennsylvania.

6.5 Operation of a bitcoin mining operation within the Township operates as consent to jurisdiction of the Court of Common Pleas of Elk County, Pennsylvania.

SECTION VII

Severability

7.1 Should any provision of this Ordinance be adjudged by a court of competent jurisdiction to be invalid, such determination shall apply only thereto. The remaining provisions of this Ordinance shall survive and be enforced as appropriate.

SECTION VIII

Effective Date

8.1 The terms and provisions of this Ordinance shall take effect and be formally enacted five (5) dates from the date of adoption as noted below.

AND NOW, this 11th day of October, 2023, we, the undersigned Board of Supervisors, hereby verify and proclaim the above Ordinance has been properly advertised and subject to a public meeting such that we now enact tis Ordinance in full force and effect.

William Wolff, Chairman

Secretary-Treasurer

Gordon Kent Buzard, Supervisor

PJ Piccirillo, Supervisor