

Ordinance Prohibiting Cryptocurrency Mining Industries from Operating in Clay County

1. **Authority:** Pursuant to NCGS 160D-701, the local governments are granted the power to adopt land development regulation ordinances for the purpose of promoting health, safety, and the general welfare of its citizens.
2. **Purpose:** This ordinance is being adopted to prevent Commercial Cryptocurrency Mining Industries from establishing and/or operating in Clay County, North Carolina in order to promote the health, safety, and the general welfare of Clay County citizens.
3. **Jurisdiction:** This Ordinance shall apply to the unincorporated areas of Clay County lying outside the corporate limits or extraterritorial jurisdiction of any incorporated town. Municipalities within Clay County may elect to allow this ordinance to be effective within their corporate limits and extraterritorial jurisdictions
4. **Definitions:**
 - a. “Crypto Mining” is a process in which networks of high-powered computers work to verify transaction of currencies like Bitcoin and Ethereum. It is called “mining because the user who first solves a complicated formula that verifies the transaction will receive a set amount of currency.
 - b. “Crypto Mining facilities”, “crypto mining industries” and “crypto mining farms” are interchangeable terms: they all are crypto mining facilities which comprise of dozens upon dozens of small computers that are used to encrypt massive algorithms that enable a unit of currency, such as Bitcoin to be created.
 - c. “Commercial crypto mining facilities” are those which are required to obtain a building permit, an electrical permit and/or any other permits as are required by the North Carolina Building Code to operate.
 - d. “Residential or private crypto mining” is defined as private citizens who have a computer or a few computers from which they mine cryptocurrency for their own private use and not commercially, and do not require a building permit, an electrical permit and/or any other permits under the North Carolina Building Code in order to operate.

WHEREAS, pursuant to NCGS 160D-107, on February 3, 2022, Clay County adopted a temporary moratorium prohibiting the development approval of all cryptocurrency mining facilities from being established and operated in Clay County;

WHEREAS, the matter was sent to the Clay County Planning Board for further study and research with directions that the Planning Board specifically address the five issues raised in

the moratorium and arrive at a recommendation to the Clay County Board of County Commissioners;

WHEREAS, problems have arisen from this industry in neighboring Cherokee County as to its excessive energy use and its excessive noise which is having a serious impact on the health, safety, and the general welfare of its citizens;

WHEREAS, in order to adopt land development regulation ordinances for the purpose of promoting health, safety, and the general welfare of Clay County citizens, the Clay County Planning Board reviewed the Clay County Comprehensive Plan to determine if the industry of cryptocurrency mining facilities also known as cryptocurrency mining farms met the objectives of the Clay County Comprehensive Plan;

WHEREAS, the Clay County Planning Board reviewed the Clay County Comprehensive Plan to address whether the land in Clay County is suitable to sustain the industry of cryptocurrency mining facilities, and to that end the Planning Board has made the following findings, to wit:

1. The first question posed is whether permitting the industry of cryptocurrency mining facilities can change the character of land use, and whether permitting cryptocurrency mining facilities can change the character of the county and alter neighborhood demographics:
Finding: The character of the land in Clay County is a rural, picturesque and quiet community where the quality of life is stressed as its greatest asset. To permit cryptocurrency mining facilities to be established and operated would change the character of land use by allowing industry that is noisy and unsightly. Such a change to Clay County's character would alter the neighborhood demographics from a quiet pastoral setting that is conducive to working the land to one that is industrialized with cryptocurrency mining facilities.
2. The second question posed is whether the policies allowing the industry of cryptocurrency mining facilities would be consistent with a comprehensive plan for the county.
Finding: The comprehensive plan for the county stresses the core of the plan as being a county that emphasizes the quality of life, and all development evolves from that core value. To permit cryptocurrency mining facilities would change the quality of life from one which enjoys the pastoral and picturesque scenery to one of concrete and electrical wires.
3. The third question posed is (a) whether availability of public infrastructure and services is adequate to sustain cryptocurrency mining facilities and (b) whether the present public infrastructure and services can sustain the industry of cryptocurrency mining facilities and (c) what the cryptocurrency mining industry will require as to public infrastructure and services as well as (d) what burdens the industry will place on Clay County's public infrastructure and services.

Finding: Clay County is a small rural county with limited public infrastructure and services. The present public infrastructure and services cannot sustain the industry of cryptocurrency mining facilities. Such industry would greatly burden the present public infrastructure and services by overburdening the public infrastructure capacity as well as overburden the Clay County's ability to provide services to meet the needs of the cryptocurrency mining facilities.

The process requires major amount of power. Computers are the size of space heaters, and they act like space heaters throwing out wave after wave of warm air while churning algorithms 24 hours a day, 7 days a week. Further, there is danger of overheating and possible fires. Due to the excessive energy needs that the cryptocurrency mining industry and its facilities require in their operation, Clay County currently lacks the infrastructure to accommodate a business such as the industry of cryptocurrency mining facilities and cryptocurrency mining farms.

4. The fourth question posed is what, if any, environmental impacts the industry of cryptocurrency mining will have, and how those environmental impacts will be addressed.

Finding: Environmental impacts of the industry of cryptocurrency mining includes the following:

- a. Contributes to climate change
 - b. Noise pollution
 - c. Environmental devastation
 - d. Immense quantities of energy used, including, but not limited to electrical energy. Cryptocurrency mining is bad for the environment because it uses a lot of electricity for the mining process which is how the new digital coins are made. One transaction is estimated to use 2292.5 kilowatt hours of electricity enough to power a typical US home for more than 78 days. www.bloggersideos.com/the-impact-cryptocurrencies-have-on-the-environment-2022
 - e. Carbon footprint. Cryptocurrency mining has physical electronic waste, and carbon dioxide emissions.
 - f. Fills landfills with uncompressible foam generated by the commercial cryptocurrency mining facilities (Note: Cherokee County, NC is having this problem from the cryptocurrency mining facilities that exist in that county-reference to article in Cherokee Scout dated July 27, 2022)
5. Lastly, the fifth question posed is what the noise concerns are, and what impact the excessive noise from the cryptocurrency mining facilities would have on the Clay County citizens if allowed to operate in Clay County.
Finding: The cryptocurrency-mining facilities utilize an excessive amount of energy and cause an enormous amount of noise from the fans used to keep

these facilities from getting too hot because of the constant operation of the computers that are stacked within the facility and are constantly operating.

As a result of the Clay County Planning Board's research, the Planning Board makes the following Findings:

WHEREAS, Clay County's Planning Board determined that the industry of cryptocurrency mining and cryptocurrency mining facilities do not meet the objectives of the Clay County Comprehensive Plan;

WHEREAS, Clay County needs to preserve the quality of life that exists in its county and to maintain the status quo in accordance with the Clay County's Comprehensive Plan;

WHEREAS, Clay County needs to protect its environment as much as possible from the climate change, excessive electrical and energy usage, carbon footprint, environmental waste and noise pollution caused by the industry of cryptocurrency mining facilities;

WHEREAS, due to the excessive energy needs that the cryptocurrency mining industry and its facilities require in their operation, Clay County currently lacks the infrastructure to accommodate a business such as cryptocurrency mining industry and cryptocurrency mining farms;

Based upon the Clay County Planning Board's research and its findings, the Clay County Planning Board makes the following recommendations to the Clay County Board of County Commissioners:

WHEREAS, the Clay County Planning Board recommends that the County Board of Commissioners pass an ordinance prohibiting the installation and operation of commercial cryptocurrency mining facilities; Commercial cryptocurrency mining facilities being defined as those facilities that require a building permit, electrical permit or other permits as required by the North Carolina Building Code in order to operate;

WHEREAS, the Clay County Planning Board recommends that private citizens who have computers from which they mine cryptocurrency for their own private use, and not commercially, be allowed to continue their mining within their own homes; (Note: these are small privately owned operations that do not require a building permit, an electrical permit, or any other permit required by the NC Building Code in order to operate.

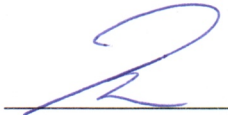
WHEREAS, NOW THEREFORE, BASED UPON THE RECOMMENDATION OF THE CLAY COUNTY PLANNING BOARD, THE CLAY COUNTY BOARD OF COUNTY COMMISSIONERS DOES HEREBY ORDAIN:

1. That commercial cryptocurrency mining facilities **are prohibited** from establishing and/or operating in Clay County, North Carolina effective this the 4th day of August, 2022;

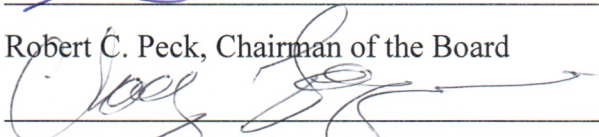
2. That the Clay County Building Inspector shall not issue any building permits, electrical permits and/or any permits of any kind for the establishment and/or operation of any cryptocurrency mining facility within the territorial jurisdiction of Clay County, North Carolina.
3. That the Clay County Board of County Commissioners further prohibits the dumping of any waste from crypto mining facilities into the Clay County Transfer Station.
4. That the provisions of this Ordinance shall apply to the unincorporated areas of Clay County lying outside the corporate limits or extraterritorial jurisdiction of any incorporated town. Municipalities within Clay County may elect to allow this ordinance to be effective within their corporate limits and extraterritorial jurisdictions.
5. That this Ordinance shall become effective immediately upon its adoption.

Upon motion by Dwight Penland and seconded by Scott Penland, this ordinance passed by 5 for and 0 against.

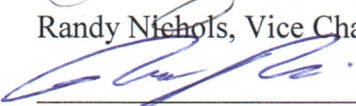
Effective upon its adoption this 4th day of August, 2022.




Robert C. Peck, Chairman of the Board



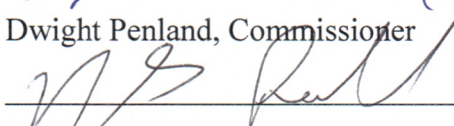
Randy Nichols, Vice Chairman



Clay Logan, Commissioner

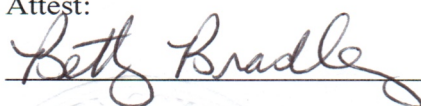


Dwight Penland, Commissioner



Douglas Scott Penland, Commissioner

Attest:



Clerk to the Board

(SEAL)