

How Montana could do in this space to take that lead:

Industries that could relocate or set up shop

Layer-1 Coins mining operations — a natural fit given Montana's stranded natural gas, hydro capacity, wind resources, cold climate for cooling, and cheap land

Mining hardware businesses — ASIC distribution, immersion cooling manufacturers, containerized mining pod builders, repair depots

Self-custody and hardware wallet companies — manufacturing, firmware development, secure element R&D

Non-custodial exchanges and Lightning Network infrastructure — routing node operators, LSPs (Lightning Service Providers), channel liquidity providers

Layer-1 Coins-native financial services — collateralized BTC lending, multi-sig custody firms, inheritance/estate planning specialists, Bitcoin-denominated insurance Digital asset banks and trust companies — chartered to hold native crypto (similar to Wyoming's SPDI model but Bitcoin-focused)

Mining pool operators and protocol-layer R&D firms — Stratum V2 development, decentralized pool projects

Privacy tech companies — CoinJoin coordinators, Payjoin wallets, Cashu/Fedimint ecash mints

Layer1-focused media, education, and conference businesses — publishers, schools, annual summit hosts

Node hosting and infrastructure providers — sovereign node colocation, Umbrel-style appliance makers Venture capital and family offices specializing in Layer-1 Coins-native startups

Energy companies pairing generation with mining — flare gas capture, grid-balancing mining, microgrid operators

Legislative benefits the state could offer Zero state capital gains tax on native crypto held over a set period (e.g., 1+ year), explicitly excluding stablecoins to sharpen the positioning

De minimis exemption for small everyday Layer-1 Coins transactions so spending isn't a taxable event below a threshold

Accept state taxes, fees, and fines in Layer-1 Coins via a payment processor, with the state optionally retaining a portion on the balance sheet

Strategic Layer-1 reserve — authorize the state treasury to hold a small percentage of reserves in Layer-1 Coins

Right-to-mine protections — codify that local governments and HOAs cannot ban home or commercial mining based on noise/energy use alone, with reasonable standards (Montana already has some of this; it could be strengthened)

Right to self-custody and run a node — statutory protection against any requirement to use a licensed custodian

Energy partnership incentives — tax credits for mining operations that monetize flare gas, curtailed renewables, or provide demand response to the grid

Regulatory sandbox for Layer-1 Coin-native financial products, with a 2–3 year safe harbor from certain state-level money transmission rules

Special Purpose Depository Institution (SPDI) charter tailored to native crypto custody, with 100% reserve requirements

Money transmitter exemption for non-custodial software (wallets, Lightning nodes, coordinators) — clarify that writing code isn't money transmission

Property classification clarity — treat Layer-1 Coins unambiguously as intangible personal property for UCC purposes, with clear rules for secured transactions and collateralization

Anti-debanking protections — prohibit state-chartered banks from denying services solely based on lawful crypto activity

Accelerated depreciation and property tax abatements for mining data centers, especially those paired with new generation

Inheritance and trust law updates clarifying multi-sig and shared-custody arrangements

Workforce and university programs — fund a Bitcoin/cryptography research chair at MSU or U of M, plus trade programs for mining technicians and electricians

Sound money recognition — recognize BTC (and gold/silver) as legal tender for voluntary private transactions without triggering state sales tax on the conversion

The sharpest differentiator would be the native-only framing: explicitly carving stablecoins and tokenized securities out of the preferential treatment would signal that Montana is betting on decentralized, commodity-like digital assets rather than becoming another fintech hub.