

Property assessor eyeing crypto mining values

Heather Mullinix

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Cumberland County Property Assessor Sandy Gilbert expects personal property assessments on two cryptocurrency mining operations to add several million to the county's tax rolls next year.

“That alone will bring in a lot,” Gilbert said during a May 5 meeting with the Cumberland County Commission's budget committee. “With what we have, it's over \$44 million.”

Cryptocurrency is a digital form of money. “Mining” it is a way to earn currency such as bitcoin by verifying transactions in the currency that occur on the internet. The math used to verify the transactions requires high-performance computing equipment. Those computers are often located inside a complex of shipping containers near electrical substations.

There are two cryptocurrency mining operations in Cumberland County: one on Plateau Rd. and another on Sparta Hwy., both owned by U.S. Farms and Mining Inc., based in Sugarland, TX.

Gilbert and other property assessors in Tennessee have been struggling to find information on the powerful computers used in cryptocurrency mining.

“We can’t get anyone to tell us the cost of the computers. We can’t get any information,” Gilbert said.

Tennessee assesses taxes on tangible property owned or held by a business that is used in its operations. This includes furniture, supplies, vehicles and computers. These items are assessed at 30% of the appraised value, which is based on the value of items included on a personal property schedule.

Personal property forms are mailed to businesses by Feb. 1 and are due back by March 1.

With little information to go on regarding the value of the property at the two mining locations, Gilbert is moving forward with a forced assessment, which is an assessment based on an estimated value of the property.

She estimates each container at the two farms can hold about 200 computers, with 44 containers across the two sites.

“They’re going to get a bill,” Gilbert said. “If they don’t have a problem with that bill, we’re valuing them too low.

“Hopefully, in the future we can get someone to talk to us.”

Gilbert also said more than 400 new homes and businesses have been completed since May 2022 with an assessed value of \$185 million.

Of those new builds, everything completed by Sept. 1 were prorated and included in the property tax rolls for last year.

“We have 410 new constructions that have started but not finished,” Gilbert said. “Hopefully we’ll get some of them by Sept. 1.”

Last year, Cumberland County had a total assessed property valuation of \$2.2 billion and estimated property tax revenue of \$24.4 million.

Gilbert anticipates having an estimate of revenue projections for the 2023-'24 county budget in June after the county board of equalization has concluded its hearing. The board hears appeals from property owners who wish to dispute the property assessor’s valuation of their property.

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