STATE OF NEW YORK

4142

2019-2020 Regular Sessions

IN SENATE

March 1, 2019

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Internet and Technology

AN ACT to amend the state technology law, in relation to blockchain technology and smart contracts

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 302 of the state technology law is amended by adding two new subdivisions 6 and 7 to read as follows:

6. "Blockchain technology" shall mean distributed ledger technology that uses a distributed, decentralized, shared and replicated ledger, which may be public or private, permissioned or permissionless, or driven by tokenized crypto economics or tokenless. The data on the ledger is protected with cryptography, is immutable and auditable and provides an uncensored truth.

7. "Smart contract" shall mean an event-driven program that runs on a distributed, decentralized, shared and replicated ledger and that can take custody over and instruct transfer of assets on that ledger.

§ 2. The state technology law is amended by adding a new section 310 to read as follows:

§ 310. Signatures and records secured through blockchain technology and smart contracts. 1. A signature that is secured through blockchain technology is considered to be in an electronic form and to be an electronic signature.

2. A record or contract that is secured through blockchain technology is considered to be in an electronic form and to be an electronic record.

3. Smart contracts may exist in commerce. A contract relating to a transaction may not be denied legal effect, validity or enforceability solely because that contract contains a smart contract term.

4. Notwithstanding any other law, rule or regulation to the contrary, a person that, in or affecting interstate or foreign commerce, uses

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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blockchain technology to secure information that the person owns or has the right to use retains the same rights of ownership or use with respect to that information as before the person secured the information using blockchain technology. This subdivision does not apply to the use of blockchain technology to secure information in connection with a transaction to the extent that the terms of the transaction expressly provide for the transfer of rights of ownership or use with respect to that information.

§ 3. This act shall take effect immediately.