STATE OF NEW YORK

10443

IN ASSEMBLY

May 24, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Hunter) -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the public lands law and the real property law, in relation to establishing central depository databases for governmental real property transaction records

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

Section 1. Subdivision 1 of section 2 of the public lands law is amended by adding five new paragraphs c, d, e, f, and g to read as follows:

c. "Distributed ledger technology" shall mean:

(i) a technology deployed in a distributed fashion and shared across a network that, when used in conjunction with cryptographic solutions, enable auditable data sharing across a network of untrusted participants; and

(ii) a system that allows multiple parties to share and update a common data source without requiring the party to rely on any single party to maintain and validate the data.

d. "Tokenization" shall mean the process of creating digital ownership of real world assets.

e. "Digitalization" shall mean the process of converting information into a digital format.

f. "Blockchain" shall mean any technology where data is:

(i) shared across a network to create a public ledger of verified transactions or information among participants;

(ii) linked using cryptography to maintain the integrity of the public ledger and to execute other functions;

(iii) distributed among network participants in an automated fashion to concurrently update network participants on the state of the public ledger and any other functions; and

(iv) composed of source code that is publicly available.

g. "Federated blockchain" shall mean a distributed ledger technology system:

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

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(i) in which a pre-selected group of entities, rather than a single entity or the general public, is responsible for validating transactions and maintaining consensus on the state of the ledger;

(ii) in which control and governance are processed more efficiently compared to public blockchains due to the permissioned nature and streamlined consensus mechanisms; and

(iii) which enables secure collaboration and data sharing among multiple organizations, finding applications in various industries, included but not limited to supply chain management, healthcare and financial services.

§ 2. The public lands law is amended by adding a new section 2-c to read as follows:

§ 2-c. Central depository database for governmental property. 1. The commissioner of general services may establish and maintain a central depository database for governmental real property to compile, store, maintain, and secure government real estate records. Such database shall provide redundant, immutable, and permissioned data controlled through distributed ledger technology, increase efficiency for state agencies, and create transparency while maintaining proper security.

2. The commissioner of general services, in conjunction with relevant state agencies, may create and implement a strategy to adopt distributed ledger technology that uses tokenization and digitalization within the agency whereby data is stored securely and permanently on a federated blockchain for the purpose of properly securing government real estate records and preventing improper access to and hacking of such records.

3. The data stored in such distributed ledger technology shall be accessible to state agencies, municipalities, and taxpayers.

§ 3. Subdivision 12 of section 290 of the real property law, as amended by chapter 549 of the laws of 2011, is amended to read as follows:

12. "Distributed ledger technology" shall mean:

(a) a technology deployed in a distributed fashion and shared across a network that, when used in conjunction with cryptographic solutions, enable auditable data sharing across a network of untrusted participants; and

(b) a system that allows multiple parties to share and update a common data source without requiring the party to rely on any single party to maintain and validate the data.

13. "Tokenization" shall mean the process of creating digital ownership of real world assets.

14. "Digitalization" shall mean the process of converting information into a digital format.

15. "Blockchain" shall mean any technology where data is:

(a) shared across a network to create a public ledger of verified transactions or information among participants;

(b) linked using cryptography to maintain the integrity of the public ledger and to execute other functions;

(c) distributed among network participants in an automated fashion to concurrently update network participants on the state of the public ledger and any other functions; and

(d) composed of source code that is publicly available.

16. "Federated blockchain" shall mean a distributed ledger technology system:

(a) in which a pre-selected group of entities, rather than a single entity or the general public, is responsible for validating transactions and maintaining consensus on the state of the ledger;

(b) in which control and governance are processed more efficiently compared to public blockchains due to the permissioned nature and streamlined consensus mechanisms; and

(c) which enables secure collaboration and data sharing among multiple organizations, finding applications in various industries, included but not limited to supply chain management, healthcare and financial services.

17. This article, with the exception of section two hundred ninety-one-k of this article, does not apply to leases for life or lives, or for years, heretofore made, of lands in either of the counties of Albany, Ulster, Sullivan, Herkimer, Dutchess, Columbia, Delaware or Schenectady.

§ 4. The real property law is amended by adding a new section 291-k to read as follows:

§ 291-k. Central depository database for real property transactions. 1. The office of the clerk of the county or city registrar may, where applicable, establish and maintain a central depository database for governmental real property to compile, store, maintain, and secure real estate records. Such database shall provide redundant, immutable, and permissioned data controlled through distributed ledger technology, increase efficiency for state agencies, and create transparency while maintaining proper security.

2. The office of the clerk of the county or city registrar may, where applicable, create and implement a strategy to adopt distributed ledger technology that uses tokenization and digitalization within the agency whereby data is stored securely and permanently on a federated blockchain for the purpose of properly securing government real estate records and preventing improper access to and hacking of such records.

§ 5. This act shall take effect immediately.