

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 Assem-
bly, do enact as follows:

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

4 c. "Distributed ledger technology" shall mean:

5 (i) a technology deployed in a distributed fashion and shared across a
6 network that, when used in conjunction with cryptographic solutions,
7 enable auditable data sharing across a network of untrusted partic-
8 ipants; and

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

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

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

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

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

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

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

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

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

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

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

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

7 (iii) which enables secure collaboration and data sharing among multi-
8 ple organizations, finding applications in various industries, included
9 but not limited to supply chain management, healthcare and financial
10 services.

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

13 § 2-c. Central depository database for governmental property. 1. The
14 commissioner of general services may establish and maintain a central
15 depository database for governmental real property to compile, store,
16 maintain, and secure government real estate records. Such database shall
17 provide redundant, immutable, and permissioned data controlled through
18 distributed ledger technology, increase efficiency for state agencies,
19 and create transparency while maintaining proper security.

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

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

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

31 12. "Distributed ledger technology" shall mean:

32 (a) a technology deployed in a distributed fashion and shared across a
33 network that, when used in conjunction with cryptographic solutions,
34 enable auditable data sharing across a network of untrusted partic-
35 ipants; and

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

39 13. "Tokenization" shall mean the process of creating digital owner-
40 ship of real world assets.

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

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

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

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

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

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

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

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

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

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

8 17. This article, with the exception of section two hundred ninety-
9 one-k of this article, does not apply to leases for life or lives, or
10 for years, heretofore made, of lands in either of the counties of Alba-
11 ny, Ulster, Sullivan, Herkimer, Dutchess, Columbia, Delaware or Schenec-
12 tady.

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

15 § 291-k. Central depository database for real property transactions.

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

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

29 § 5. This act shall take effect immediately.