AN ACT AUTHORIZING THE USE OF SMART CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective from passage) (a) As used in this section:

(1) "Blockchain technology" means distributed ledger technology that uses a distributed, decentralized, shared and replicated ledger that may be public or private, permissioned or permissionless and that may include the use of electronic currencies or electronic tokens as a medium of electronic exchange;

(2) "Cryptographic signature" means the use of public key algorithms to provide data integrity;

(3) "Distributed ledger technology" means any database that is consensually shared and synchronized across multiple sites, institutions or geographies allowing for public witnesses to such transactions and may include supporting infrastructure, including blockchain technology, that uses a distributed, decentralized, shared and replicated ledger, whether public or private, permissioned or
permissionless, and that may include the use of electronic currencies or
electronic tokens as a medium of electronic storage; and

(4) "Smart contract" means an event-driven computer program that
executes on an electronic, distributed, decentralized, shared and
replicated ledger that is used to automate transactions, including, but
not limited to, transactions that (A) take custody over and instruct
transfer of assets on such ledger, (B) create and distribute electronic
assets, (C) synchronize information, or (D) manage identity and user
access to software applications.

(b) Any cryptographic signature that is generated and stored
through distributed ledger technology shall be considered to be in an
electronic form and to be an electronic signature.

(c) Any record or contract that is secured through distributed ledger
technology shall be considered to be in an electronic form and an
electronic record.

(d) Smart contracts may be utilized in commerce conducted or
initiated in this state. No contract relating to a transaction shall be
denied legal effect, validity or enforceability solely because such
contact is executed through a smart contract.

(e) Notwithstanding any provision of the general statutes, any
person who, in or affecting commerce, uses distributed ledger
technology to secure information that such person owns or has the
right to use shall retain the same rights of ownership or use with
respect to such information as such person would have without the
use of distributed ledger technology. Nothing in this section shall be
construed to apply to the use of distributed ledger technology to
secure information in connection with a transaction to the extent that
the terms of such transaction expressly provide for the transfer or
rights of ownership or use with respect to such information.

(f) Nothing in this section shall be construed to affect whether any
other technology not defined in subsection (a) of this section that
secures signatures, records or contracts or that is considered to be in an electronic form or an electronic signature or electronic record, as applicable.

This act shall take effect as follows and shall amend the following sections:

| Section 1 | from passage | New section |

Statement of Purpose:
To authorize the use of smart contracts in commerce in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]