



General Assembly

January Session, 2019

Raised Bill No. 7310

LCO No. 5520



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT AUTHORIZING THE USE OF SMART CONTRACTS.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Blockchain technology" means distributed ledger technology
3 that uses a distributed, decentralized, shared and replicated ledger that
4 may be public or private, permissioned or permissionless and that may
5 include the use of electronic currencies or electronic tokens as a
6 medium of electronic exchange;
- 7 (2) "Cryptographic signature" means the use of public key
8 algorithms to provide data integrity;
- 9 (3) "Distributed ledger technology" means any database that is
10 consensually shared and synchronized across multiple sites,
11 institutions or geographies allowing for public witnesses to such
12 transactions and may include supporting infrastructure, including
13 blockchain technology, that uses a distributed, decentralized, shared
14 and replicated ledger, whether public or private, permissioned or

15 permissionless, and that may include the use of electronic currencies or
16 electronic tokens as a medium of electronic storage; and

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

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

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

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

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

44 (f) Nothing in this section shall be construed to affect whether any
45 other technology not defined in subsection (a) of this section that

46 secures signatures, records or contracts or that is considered to be in an
47 electronic form or an electronic signature or electronic record, as
48 applicable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	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.]