

As Introduced

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S. B. No. 300

Senator Dolan

Cosponsors: Senators Wilson, Huffman, Burke

A BILL

To amend sections 1306.01, 1306.04, and 1306.06 of
the Revised Code to amend the Uniform Electronic
Transactions Act to define records and contracts
secured by blockchain technology as electronic
records and to allow the use of smart contract
terms.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1306.01, 1306.04, and 1306.06 of
the Revised Code be amended to read as follows:

Sec. 1306.01. As used in sections 1306.01 to 1306.23 of
the Revised Code:

(A) "Agreement" means the bargain of the parties in fact,
as found in their language or inferred from other circumstances
and from rules, regulations, and procedures given the effect of
agreements under laws otherwise applicable to a particular
transaction.

(B) "Automated transaction" means a transaction conducted
or performed, in whole or in part, by electronic means or
electronic records, in which the acts or records of one or both

parties are not reviewed by an individual in the ordinary course 19
in forming a contract, performing under an existing contract, or 20
fulfilling an obligation required by the transaction. 21

(C) "Blockchain technology" means distributed ledger 22
technology that uses a distributed, decentralized, shared, and 23
replicated ledger, which may be public or private, permissioned 24
or permissionless, or driven by tokenized crypto economics or 25
tokenless. The data on the ledger is protected with 26
cryptography, is immutable and auditable, and provides an 27
uncensored truth. 28

(D) "Computer program" means a set of statements or 29
instructions to be used directly or indirectly in an information 30
processing system in order to bring about a certain result. 31

~~(D)~~(E) "Contract" means the total legal obligation 32
resulting from the parties' agreement as affected by sections 33
1306.01 to 1306.23 of the Revised Code and other applicable law. 34

~~(E)~~(F) "Electronic" means relating to technology having 35
electrical, digital, magnetic, wireless, optical, 36
electromagnetic, or similar capabilities. 37

~~(F)~~(G) "Electronic agent" means a computer program or an 38
electronic or other automated means used independently to 39
initiate an action or respond to electronic records or 40
performances in whole or in part, without review or action by an 41
individual. 42

~~(G)~~(H) "Electronic record" means a record created, 43
generated, sent, communicated, received, or stored by electronic 44
means. A record or contract that is secured through blockchain 45
technology is considered to be in an electronic form and to be 46
an electronic record. 47

~~(H)~~ (I) "Electronic signature" means an electronic sound, 48
symbol, or process attached to or logically associated with a 49
record and executed or adopted by a person with the intent to 50
sign the record. A signature that is secured through blockchain 51
technology is considered to be in an electronic form and to be 52
an electronic signature. 53

~~(I)~~ (J) "Governmental agency" means any executive, 54
legislative, or judicial agency, department, board, commission, 55
authority, institution, or instrumentality of the federal 56
government, of a state, or of a county, municipality, or other 57
political subdivision of a state. 58

~~(J)~~ (K) "Information" means data, text, images, sounds, 59
codes, computer programs, software, databases, or the like. 60

~~(K)~~ (L) "Information processing system" means an 61
electronic system for creating, generating, sending, receiving, 62
storing, displaying, or processing information. 63

~~(L)~~ (M) "Person" means an individual, corporation, 64
business trust, estate, trust, partnership, limited liability 65
company, association, joint venture, governmental agency, public 66
corporation, or any other legal or commercial entity. 67

~~(M)~~ (N) "Record" means information that is inscribed on a 68
tangible medium or that is stored in an electronic or other 69
medium and is retrievable in perceivable form. 70

~~(N)~~ (O) "Security procedure" means a procedure employed 71
for the purpose of verifying that an electronic signature, 72
record, or performance is that of a specific person or for 73
detecting changes or errors in the information in an electronic 74
record. "Security procedure" includes a procedure that requires 75
the use of algorithms or other codes, identifying word or 76

numbers, encryption, or callback or other acknowledgment 77
procedures. 78

(P) "Smart contract" means an event-driven program that 79
runs on a distributed, decentralized, shared, and replicated 80
ledger and that can take custody over and instruct transfer of 81
assets on that ledger. 82

~~(O)~~ (Q) "State" means a state of the United States, the 83
District of Columbia, Puerto Rico, the United States Virgin 84
Islands, or any territory or insular possession subject to the 85
jurisdiction of the United States. "State" includes an Indian 86
tribe or band, or Alaskan ~~native~~ Native village, that is 87
recognized by federal law or formally acknowledged by a state. 88

~~(P)~~ (R) "Transaction" means an action or set of actions 89
occurring between two or more persons relating to the conduct of 90
business, commercial, or governmental affairs. 91

Sec. 1306.04. (A) Sections 1306.01 to 1306.23 of the 92
Revised Code do not require a record or signature to be created, 93
generated, sent, communicated, received, stored, or otherwise 94
processed or used by electronic means or in electronic form. 95

(B) Sections 1306.01 to 1306.23 of the Revised Code apply 96
only to transactions between parties each of which has agreed to 97
conduct transactions by electronic means. Whether the parties 98
agree to conduct a transaction by electronic means is determined 99
from the context and surrounding circumstances, including the 100
parties' conduct. 101

(C) A party that agrees to conduct a transaction by 102
electronic means may refuse to conduct other transactions by 103
electronic means. The right granted by this division may not be 104
waived by agreement. 105

(D) Except as otherwise provided in sections 1306.01 to 106
1306.23 of the Revised Code, any of the provisions of such 107
sections may be varied by agreement. The presence in certain 108
provisions of sections 1306.01 to 1306.23 of the Revised Code of 109
the words "unless otherwise agreed," or words of similar import, 110
does not imply that the effect of other provisions may not be 111
varied by agreement. 112

(E) Whether an electronic record or electronic signature 113
has legal consequences is determined by sections 1306.01 to 114
1306.23 of the Revised Code and other applicable law. 115

(F) Notwithstanding any other law, a person that, in or 116
affecting interstate or foreign commerce, uses blockchain 117
technology to secure information that the person owns or has the 118
right to use retains the same rights of ownership or use with 119
respect to that information as before the person secured the 120
information using blockchain technology. This division does not 121
apply to the use of blockchain technology to secure information 122
in connection with a transaction to the extent that the terms of 123
the transaction expressly provide for the transfer of rights of 124
ownership or use with respect to that information. 125

Sec. 1306.06. (A) A record or signature may not be denied 126
legal effect or enforceability solely because it is in 127
electronic form. 128

(B) Smart contracts may exist in commerce. A contract may 129
not be denied legal effect or enforceability solely because an 130
electronic record was used in its formation or because the 131
contract contains a smart contract term. 132

(C) If a law requires a record to be in writing, an 133
electronic record satisfies the law. 134

(D) If a law requires a signature, an electronic signature	135
satisfies the law.	136
Section 2. That existing sections 1306.01, 1306.04, and	137
1306.06 of the Revised Code are hereby repealed.	138