

Amendment No. 1 to SB1662

Johnson
Signature of Sponsor

AMEND Senate Bill No. 1662

House Bill No. 1507*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 10, is amended by adding the following language as a new part:

47-10-201. As used in this part:

(1) "Distributed ledger technology" means any distributed ledger protocol and supporting infrastructure, including blockchain, that uses a distributed, decentralized, shared, and replicated ledger, whether it be public or private, permissioned or permissionless, and which may include the use of electronic currencies or electronic tokens as a medium of electronic exchange; and

(2) "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 that ledger;
- (B) Create and distribute electronic assets;
- (C) Synchronize information; or
- (D) Manage identity and user access to software applications.

47-10-202.

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

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

(c) Smart contracts may exist in commerce. No contract relating to a transaction shall be denied legal effect, validity, or enforceability solely because that contract is executed through a smart contract.

(d) Notwithstanding any other law, a person that, in or affecting interstate or foreign commerce, uses distributed ledger technology to secure information that the person owns or has the right to use retains the same rights of ownership or use with respect to that information as before the person secured the information using distributed ledger technology. This subsection (d) does not apply to the use of distributed ledger technology to secure information in connection with a transaction to the extent that the terms of the transaction expressly provide for the transfer of rights of ownership or use with respect to that information.

(e) No implication is made by, and no inference may be drawn from, the enactment of this part as to whether technologies not defined in § 47-10-201 that secure signatures, records, or contracts are considered to be in an electronic form or to be an electronic signature or electronic record, as applicable.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.