

AN ACT

ENTITLED, An Act to provide a definition of blockchain technology for certain purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 53-12-1 be amended to read:

53-12-1. Terms used in this chapter mean:

- (1) "Agreement," the bargain of the parties in fact, as found in their language or inferred from other circumstances and from rules and procedures given the effect of agreements under laws otherwise applicable to a particular transaction;
- (2) "Automated transaction," 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 in forming a contract, performing under an existing contract, or fulfilling an obligation required by the transaction;
- (3) "Blockchain technology," technology that uses a distributed, shared, and replicated ledger, either public or private, with or without permission, or driven with or without tokenized crypto economics where the data on the ledger is protected with cryptography and is immutable and auditable;
- (4) "Computer program," a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result;
- (5) "Contract," the total legal obligation resulting from the parties' agreement as affected by this chapter and other applicable law;
- (6) "Electronic," any technology, including blockchain technology, using electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- (7) "Electronic agent," a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records or performances in

whole or in part, without review or action by an individual;

- (8) "Electronic record," a record created, generated, sent, communicated, received, or stored by electronic means. The term includes a record that is secured through blockchain technology;
- (9) "Electronic signature," an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. The term includes a signature that is secured through blockchain technology;
- (10) "Governmental agency," an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the federal government or of a state or of a county, municipality, or other political subdivision of a state;
- (11) "Information," data, text, images, sounds, codes, computer programs, software, databases, or the like;
- (12) "Information processing system," an electronic system for creating, generating, sending, receiving, storing, displaying, or processing information;
- (13) "Person," an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation, or any other legal or commercial entity;
- (14) "Record," information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;
- (15) "Security procedure," a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, or callback or other acknowledgment procedures;

- (16) "State," a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes an Indian tribe or band, or Alaskan native village, which is recognized by federal law or formally acknowledged by a state;
- (17) "Transaction," an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.

Section 2. That the code be amended by adding a NEW SECTION to read:

As used in title 47, the terms, electronic, electronic transmission, or electronically transmitted, include blockchain technology, as defined in § 53-12-1.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1196

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1196

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State