State of South Dakota

715B0710

HOUSE BILL NO. 1196

Introduced by: Representatives Hansen and Peterson (Sue) and Senator Partridge

1   FOR AN ACT ENTITLED, An Act to provide a definition of blockchain technology for certain

2   purposes.

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

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

5   53-12-1. Terms used in this chapter mean:

6   (1)   "Agreement," the bargain of the parties in fact, as found in their language or inferred

7   from other circumstances and from rules and procedures given the effect of

8   agreements under laws otherwise applicable to a particular transaction;

9   (2)   "Automated transaction," a transaction conducted or performed, in whole or in part,

10   by electronic means or electronic records, in which the acts or records of one or both

11   parties are not reviewed by an individual in the ordinary course in forming a contract,

12   performing under an existing contract, or fulfilling an obligation required by the

13   transaction;

14   (3)   "Blockchain technology," technology that uses a distributed, shared, and replicated

15   ledger, either public or private, with or without permission, or driven with or without

1   tokenized crypto economics where the data on the ledger is protected with

2   cryptography and is immutable and auditable;

3   (4) "Computer program," a set of statements or instructions to be used directly or

4   indirectly in an information processing system in order to bring about a certain result;

5   (4)(5) "Contract," the total legal obligation resulting from the parties' agreement as affected

6   by this chapter and other applicable law;

7   (5)(6) "Electronic," any technology, including blockchain technology, using electrical,

8   digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;

9   (6)(7) "Electronic agent," a computer program or an electronic or other automated means

10   used independently to initiate an action or respond to electronic records or

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

12   (7)(8) "Electronic record," a record created, generated, sent, communicated, received, or

13   stored by electronic means. The term includes a record that is secured through

14   blockchain technology;

15   (8)(9) "Electronic signature," an electronic sound, symbol, or process attached to or

16   logically associated with a record and executed or adopted by a person with the intent

17   to sign the record. The term includes a signature that is secured through blockchain

18   technology;

19   (9)(10)   "Governmental agency," an executive, legislative, or judicial agency,

20   department, board, commission, authority, institution, or instrumentality of the

21   federal government or of a state or of a county, municipality, or other political

22   subdivision of a state;

23   (10)(11)   "Information," data, text, images, sounds, codes, computer programs, software,

24   databases, or the like;

1   ~~(11)~~(12) "Information processing system," an electronic system for creating, generating,

2   sending, receiving, storing, displaying, or processing information;

3   ~~(12)~~(13) "Person," an individual, corporation, business trust, estate, trust, partnership,

4   limited liability company, association, joint venture, governmental agency,

5   public corporation, or any other legal or commercial entity;

6   ~~(13)~~(14) "Record," information that is inscribed on a tangible medium or that is stored

7   in an electronic or other medium and is retrievable in perceivable form;

8   ~~(14)~~(15) "Security procedure," a procedure employed for the purpose of verifying that

9   an electronic signature, record, or performance is that of a specific person or

10   for detecting changes or errors in the information in an electronic record. The

11   term includes a procedure that requires the use of algorithms or other codes,

12   identifying words or numbers, encryption, or callback or other

13   acknowledgment procedures;

14   ~~(15)~~(16) "State," a state of the United States, the District of Columbia, Puerto Rico, the

15   United States Virgin Islands, or any territory or insular possession subject to

16   the jurisdiction of the United States. The term includes an Indian tribe or band,

17   or Alaskan native village, which is recognized by federal law or formally

18   acknowledged by a state;

19   ~~(16)~~(17) "Transaction," an action or set of actions occurring between two or more

20   persons relating to the conduct of business, commercial, or governmental

21   affairs.