

Effective 10/1/2026

Chapter 22

Decentralized Autonomous Organization Act

Part 1

General Provisions

16-22-101 Definitions.

As used in this chapter:

- (1) "Administrator" means a person that is appointed in a manner specified in the by-laws to make decisions for specific, predefined operations of the decentralized autonomous organization.
- (2) "Asset" means an item of value, whether on-chain or off-chain.
- (3) "By-laws" means the procedural rules and regulations that govern a decentralized autonomous organization and the interaction of the decentralized autonomous organization's members and participants.
- (4) "Cryptographic proof" means a mathematical proof that verifies that a message has not been tampered with or altered in any way and can be verified by a person that has access to the original message and the proof.
- (5) "Decentralized" means that decision-making is distributed among multiple persons.
- (6) "Decentralized autonomous organization" means an organization:
 - (a) created by one or more smart contracts;
 - (b) that implements rules enabling individuals to coordinate for decentralized governance of an organization; and
 - (c) that is an entity formed under this chapter.
- (7)
 - (a) "Developer" means a person involved in the development or maintenance of a decentralized autonomous organization.
 - (b) "Developer" includes a person that provides:
 - (i) software code; or
 - (ii) design, business, legal, or ancillary support.
- (8)
 - (a) "Dispute resolution mechanism" means an on-chain alternative dispute resolution system that enables persons to resolve disputes arising out of a decentralized autonomous organization.
 - (b) "Dispute resolution mechanism" includes:
 - (i) arbitration;
 - (ii) expert determination; or
 - (iii) an on-chain alternative court system.
- (9) "Division" means the Division of Corporations and Commercial Code.
- (10) "Failure event" means an error in the decentralized autonomous organization's software code or an exploit that:
 - (a) renders the decentralized autonomous organization inoperative; or
 - (b) fundamentally changes the expected operation of the decentralized autonomous organization.
- (11) "Graphical user interface" means a publicly accessible interface through which a person interacts with computer software through visual indicator representations.
- (12) "Hard fork" means a blockchain software upgrade that is not compatible with previous versions of the blockchain software and requires all users to upgrade to the latest version of the blockchain software.

- (13) "Legal representative" means an individual appointed in the manner specified in the by-laws of a decentralized autonomous organization to perform procedural functions off-chain on behalf of a decentralized autonomous organization.
- (14) "Majority chain" means the version of the blockchain accepted by more than half of the blockchain's validators following a hard fork.
- (15) "Meeting" means a synchronous or asynchronous event for the purpose of discussing and acting upon decentralized autonomous organization related matters by members or participants.
- (16)
 - (a) "Member" means a person who has governance rights in a decentralized autonomous organization.
 - (b) "Member" does not include an individual that has involuntarily received a token with governance rights, unless that person has chosen to participate in governance by undertaking a governance behavior, on-chain or off-chain, for the decentralized autonomous organization.
- (17) "Minority chain" means the version of the chain that is not the majority chain following a hard fork.
- (18) "Off-chain" means any action that is not on-chain.
- (19) "On-chain" means any action that is recorded and verified on a blockchain.
- (20) "On-chain contribution" refers to any token segregated and locked in one of the decentralized autonomous organization's smart contracts for the purpose of member buy-in to the decentralized autonomous organization and the provision of withdrawable capital.
- (21) "Organizer" means a person that submits the certificate of filing as required in Section 16-22-201.
- (22) "Participant" means a person that:
 - (a) is not a member of a decentralized autonomous organization; and
 - (b) holds or interacts with a token of a decentralized autonomous organization.
- (23) "Permissionless blockchain" means a publicly distributed ledger that allows a person to transact and produce blocks in accordance with the blockchain protocol, in which the validity of the block is independent of the identity of the user.
- (24) "Public address" means a unique, durable identifier that an individual can transact with on a permissionless blockchain.
- (25) "Public forum" means a freely accessible online environment that is commonly used for the exercise of speech and public debate.
- (26) "Public signal" means a declaration authorized by the decentralized autonomous organization in a public forum.
- (27) "Quality assurance" means a security review of the software code of the decentralized autonomous organization in accordance with industry standards.
- (28) "Redeem" means to exchange a token for the value that the token represents.
- (29) "Smart contract" means software code that:
 - (a) is deployed on a permissionless blockchain;
 - (b) consists of a set of predefined instructions executed in a distributed manner by the nodes of an underlying blockchain network; and
 - (c) produces a change on the blockchain network.
- (30) "Token" means a record on a permissionless blockchain that represents an asset, participation right, or other entitlement.
- (31) "Transaction" means a new entry in a permissionless blockchain, including the recording of a change in ownership of an asset or participation in a decentralized autonomous organization.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-102 Governing document hierarchy -- Governing law.

A decentralized autonomous organization shall be governed by the following, listed in order of primacy:

- (1) this act;
- (2) the by-laws of the decentralized autonomous organization;
- (3) if this act and a decentralized autonomous organization's by-laws are silent, the provisions of Chapter 20, Utah Revised Uniform Limited Liability Company Act; and
- (4) principles of law and equity.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-103 Powers of the division.

- (1)
 - (a) The division may make, amend, or rescind a rule, form, or order when necessary to carry out this chapter.
 - (b) The division shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (2) The division may by rule:
 - (a) provide the form and content of a registration requirement required under this chapter;
 - (b) provide the method of determining whether formation requirements described in Section 16-22-201 have been met and when to file a certificate of organization; and
 - (c) identify industry standards for determining whether the decentralized autonomous organization has undergone security review for quality assurance.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-104 Legal personality.

A decentralized autonomous organization that meets the requirements of this act:

- (1) shall be deemed a legal entity separate and distinct from the decentralized autonomous organization's members;
- (2) has the capacity to sue and be sued in the decentralized autonomous organization's own name and the power to do all things necessary or convenient to carry on the decentralized autonomous organization's activities and affairs;
- (3) shall meet the decentralized autonomous organization's liabilities through the decentralized autonomous organization's assets;
- (4) may have any lawful purpose; and
- (5) has perpetual duration.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-105 Registered agent.

Each decentralized autonomous organization shall designate a registered agent in this state in accordance with Section 16-1a-404 and maintain a registered agent in the state.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-106 Electronic documents.

- (1) Subject to Section 13-1a-110, the division shall by rule permit a writing required or permitted to be filed with the division under this chapter:
 - (a) to be delivered, mailed, or filed:
 - (i) in an electronic medium; or
 - (ii) by electronic transmission; or
 - (b) to be signed by photographic, electronic, or other means prescribed by rule, except that a writing signed in an electronic medium shall be signed by electronic signature in accordance with Title 46, Chapter 4, Uniform Electronic Transactions Act.
- (2) The division may by rule provide for any writing required or permitted to be prepared, delivered, or mailed by the division under this chapter to be prepared, delivered, or mailed:
 - (a) in an electronic medium; or
 - (b) by electronic transmission.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-110 Provisions Applicable to All Business Entities applicable.

Chapter 1a, Provisions Applicable to All Business Entities, applies to the provisions of this chapter.

Enacted by Chapter 93, 2026 General Session

**Part 2
Formation**

16-22-201 Formation requirements.

- (1)
 - (a) One or more persons may act as organizers to form a decentralized autonomous organization by delivering to the division for filing a certificate of organization.
 - (b) At least one of the organizers of a decentralized autonomous organization shall be an individual.
- (2)
 - (a) A certificate of organization shall provide:
 - (i) the name of the decentralized autonomous organization, which shall comply with Sections 16-1a-302 and 16-1a-303;
 - (ii) the name of an organizer that is an individual;
 - (iii) the street and mailing address of the organizer described in Subsection (2)(a)(ii);
 - (iv) the name and address of the legal representative; and
 - (v) the information required by Section 16-1a-404.
 - (b) An organizer may request that the information provided in Subsections (2)(a)(ii) and (iii) is redacted by the division before any public disclosure of the filing.
- (3) A decentralized autonomous organization shall submit evidence to the division in a form required by the division that the decentralized autonomous organization has complied with the following requirements:
 - (a) the decentralized autonomous organization is deployed on a permissionless blockchain;
 - (b) the decentralized autonomous organization has a unique public address through which an individual can review and monitor the decentralized autonomous organization's transactions;

- (c) the software code of the decentralized autonomous organization is available in a public forum for any person to review;
- (d) the software code of the decentralized autonomous organization has undergone quality assurance;
- (e) the decentralized autonomous organization has a graphical user interface that:
 - (i) allows a person to read the value of the key variables of the decentralized autonomous organization's smart contracts;
 - (ii) allows a person to monitor all transactions originating from, or addressed to, the decentralized autonomous organization's smart contracts;
 - (iii) specifies the restrictions on a member's ability to redeem tokens;
 - (iv) makes available the decentralized autonomous organization's by-laws; and
 - (v) displays the mechanism to contact the administrator of the decentralized autonomous organization;
- (f) the governance system of the decentralized autonomous organization is decentralized;
- (g) the decentralized autonomous organization has at least one member;
- (h)
 - (i) there is a publicly specified communication mechanism that allows a person to contact the registered agent of the decentralized autonomous organization and provide legally recognized service; and
 - (ii) a member or administrator of the decentralized autonomous organization is able to access the contents of this communication mechanism; and
- (i) the decentralized autonomous organization describes or provides a dispute resolution mechanism that is:
 - (i) binding on the decentralized autonomous organization, the members, and participants of the decentralized autonomous organization; and
 - (ii) able to resolve disputes with third parties capable of settlement by alternative dispute resolution.
- (4) Notwithstanding the requirements of Subsection (3)(e)(iv), a decentralized autonomous organization may redact sensitive information from the by-laws before making the by-laws available, if those redactions are necessary to protect the privacy of individual members or participants in the decentralized autonomous organization.
- (5) A decentralized autonomous organization is formed when the decentralized autonomous organization's certificate of organization becomes effective and the decentralized autonomous organization submits the evidence required in Subsection (3).
- (6) Upon formation, the decentralized autonomous organization shall have limited liability, subject to the provisions of Section 16-22-202.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-202 Limited liability.

- (1) Except as set forth in Subsections (2) and (3), a member:
 - (a) may only be liable for the on-chain contributions that the member has committed to the decentralized autonomous organization;
 - (b) may not be held personally liable for any excess liability after the decentralized autonomous organization's assets have been exhausted;
 - (c) may not be held personally liable for any obligation incurred by the decentralized autonomous organization; and

- (d) may not be held personally liable, in the member's capacity as a member, for the wrongful act or omission of any other member of the decentralized autonomous organization.
- (2) If a decentralized autonomous organization refuses to comply with an enforceable judgment, order, or award entered against the decentralized autonomous organization, the members who voted against compliance may be liable for any monetary payments ordered in the judgment, order, or award in proportion to the member's share of governance rights in the decentralized autonomous organization.
- (3) Subsections (1) and (2) do not affect the personal liability of a member in tort for a member's own wrongful act or omission.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-203 By-laws.

- (1) A decentralized autonomous organization shall adopt by-laws that establish internal organization and procedures for the decentralized autonomous organization.
- (2) The by-laws shall be set out in plain terms.
- (3) The by-laws of a decentralized autonomous organization may contain any provision for managing the entity and regulating the affairs of the decentralized autonomous organization that is not inconsistent with law.

Renumbered and Amended by Chapter 92, 2026 General Session

Part 3 Members

16-22-301 Classes of participation rights -- Membership.

- (1) A decentralized autonomous organization's by-laws may create multiple classes of member participation rights.
- (2) Where the decentralized autonomous organization has tokens providing governance powers to the token holder, the token holder shall be considered a member of the decentralized autonomous organization:
 - (a) from the time the ownership of the tokens is established to be in the possession of an address; or
 - (b) from the time when ownership is first acknowledged by the token holder through an on-chain interaction with the decentralized autonomous organization.
- (3) This section does not apply in the event of a hard fork.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-302 Voting rights.

- (1) The by-laws shall set out the distribution of voting rights for the classes of member participation rights in a decentralized autonomous organization.
- (2) The method by which these voting rights are computed and distributed shall be set out in the by-laws.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-303 Proxies.

- (1) A member may be represented by a proxy.
- (2) The by-laws of a decentralized autonomous organization may establish the requirements for representation by proxy.
- (3) A proxy may exercise all rights of a member.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-304 Minority rights protection.

The decentralized autonomous organization shall state in the by-laws whether the decentralized autonomous organization provides minority rights protection.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-305 Administrators.

- (1) Unless mandated in the decentralized autonomous organization's by-laws, a decentralized autonomous organization is not required to have an administrator, including a board of directors or a trustee.
- (2) In the absence of a provision requiring administrators, all the powers and tasks of an administrator shall be vested in the decentralized autonomous organization members as a class.
- (3) The voting mechanism for nominating and appointing an administrator shall be set out in the decentralized autonomous organization's by-laws.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-306 Legal representation.

- (1) A decentralized autonomous organization shall retain a legal representative to undertake tasks that cannot be achieved on-chain.
- (2) Legal representation of the decentralized autonomous organization shall be carried out by the legal representative in the manner provided in the by-laws, as evidenced by an authorization displayed on a public forum, and verifiable by cryptographic proof.
- (3) The legal representative may undertake and execute any and all acts and contracts included within the scope of such authorization.
- (4) The legal representative may not be required to reside in Utah.
- (5) A legal representative may not be personally liable for acts performed on behalf of the decentralized autonomous organization.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-307 No implicit fiduciary status.

A developer, member, participant, or legal representative of a decentralized autonomous organization may not be imputed to have fiduciary duties towards each other or third parties solely on account of their role, unless the developer, member, participant, or legal representative:

- (1) explicitly holds themselves out as a fiduciary; or
- (2) stipulates to assume a fiduciary status as provided in the decentralized autonomous organization's by-laws.

Renumbered and Amended by Chapter 92, 2026 General Session

Part 4

Miscellaneous Provisions

16-22-401 Asset subscription and payment.

- (1) No minimum capital requirements may apply to a decentralized autonomous organization recognized by this act.
- (2) If the decentralized autonomous organization wishes to maintain a minimum amount of capital, the by-laws of the decentralized autonomous organization shall specify the rules for subscription and payment.
- (3) The by-laws shall provide the rules for exiting the decentralized autonomous organization that address the consequences of voluntary and involuntary member and participant exit on subscriptions and payments made by the member or participant.
- (4) No member may compel the dissolution of the decentralized autonomous organization for failure to return the member's on-chain contribution.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-402 Meetings.

- (1) A decentralized autonomous organization may hold meetings as provided in the decentralized autonomous organization's by-laws.
- (2) Unless explicitly specified in the by-laws, meetings are not required to be in person.
- (3) If the by-laws include a meeting requirement, the by-laws shall include an explicit and transparent mechanism of giving notice of meetings to administrators, members, or participants, and a defined time period for deliberating upon proposals submitted by an administrator, member, or participant.
- (4) Notice of any required meeting shall be communicated through a graphical user interface.
- (5) The quorum and majority requirements for meetings of a decentralized autonomous organization's administrators, members, or participants shall be specified in the by-laws.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-403 Contentious forks in the underlying blockchain.

- (1) Except as provided in this section, in the event of a hard fork in the underlying permissionless blockchain:
 - (a) the legal representation of the decentralized autonomous organization remains on the majority chain; and
 - (b) any off-chain assets shall belong to the decentralized autonomous organization on the majority chain.
- (2)
 - (a) A decentralized autonomous organization may choose to maintain legal presence on a minority chain if the decentralized autonomous organization expresses an intent to do so by public signal.

- (b) If the decentralized autonomous organization expresses an intent by public signal to maintain legal presence on a minority chain, any off-chain assets shall belong to the decentralized autonomous organization on the selected minority chain.
- (3) The decentralized autonomous organization may liquidate the decentralized autonomous organization's on-chain assets after a hard fork to move those assets to the chosen chain.
- (4) The decentralized autonomous organization may split into multiple legal entities after a hard fork, each on a separate chain, after public signal of an intent to do so, provided there is a definitive distribution of off-chain assets between the majority and minority chain.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-404 Restructuring.

- (1) When a decentralized autonomous organization is restructured, whether through modification, upgrade, or migration, the decentralized autonomous organization's legal personality and limited liability is retained only to the extent that:
 - (a) the new software code of the decentralized autonomous organization fulfills all the formation requirements of Section 16-22-201; and
 - (b) where the decentralized autonomous organization has to be associated with a new unique public address, proper notice is provided by way of public signal.
- (2) A decentralized autonomous organization that is restructured in compliance with Subsection (1) inherits the rights and obligations of the original decentralized autonomous organization as a successor.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-405 Failure event.

- (1) In the case of a failure event, legal personality and limited liability are maintained to the extent necessary to protect decentralized autonomous organization members and participants from personal liability.
- (2) A failure event may trigger liability on the person deploying or upgrading the decentralized autonomous organization if that person:
 - (a) acted in bad faith; or
 - (b) engaged in gross negligence.

Renumbered and Amended by Chapter 92, 2026 General Session

16-22-406 Taxation.

- (1) If a decentralized autonomous organization recognized by this act is eligible to elect to be classified as a corporation for federal tax purposes, and the decentralized autonomous organization makes that election, the decentralized autonomous organization shall be subject to the provisions of Title 59, Chapter 7, Corporate Franchise and Income Taxes.
- (2)
 - (a) Unless the decentralized autonomous organization makes the election described in Subsection (1), a decentralized autonomous organization recognized by this act shall be classified as a partnership for tax purposes and subject to the provisions of Title 59, Chapter 10, Part 14, Pass-Through Entities and Pass-Through Entity Taxpayers Act.
 - (b) For purposes of taxation, a decentralized autonomous organization shall allocate the distributive share of income, gain, loss, deduction, and credit derived from the decentralized

autonomous organization's activities, to each member of the decentralized autonomous organization in proportion to the member's membership interest in the entity.

Renumbered and Amended by Chapter 92, 2026 General Session