

## HB0289S01 compared with HB0289

~~text~~ shows text that was in HB0289 but was deleted in HB0289S01.

text shows text that was not in HB0289 but was inserted into HB0289S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Trevor Lee proposes the following substitute bill:

### BLOCKCHAIN PROVIDER REGISTRATION

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Trevor Lee**

Senate Sponsor: \_\_\_\_\_

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#### LONG TITLE

##### General Description:

This bill creates the Noncustodial Blockchain Registry.

##### Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Noncustodial Blockchain Registry (registry) within the Utah Office of Regulatory Relief (office);
- ▶ describes registry application, renewal, and ~~renewal~~removal requirements;
- ▶ requires the office to issue a certificate of registration after placing an applicant on the registry;
- ▶ provides administrative rulemaking authority; and
- ▶ makes technical and conforming changes.

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### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

ENACTS:

**63N-16-401**, Utah Code Annotated 1953

**63N-16-402**, Utah Code Annotated 1953

**63N-16-403**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **63N-16-401** is enacted to read:

#### **Part 4. Noncustodial Blockchain Registry**

##### **63N-16-401. Definitions.**

~~{~~ ~~(1) "Blockchain" means the same as that term is defined in Section 7-25-102.~~

~~}~~ ~~(~~2~~1) "Blockchain company" means an entity that uses blockchain technology to facilitate financial transactions between users.~~

~~{~~ ~~(3) "Blockchain token" means the same as that term is defined in Section 7-25-102.~~

~~}~~ ~~(~~4~~2) "Noncustodial blockchain company" means a blockchain company that does not have possession or control of a user's ~~{~~blockchain token.~~

~~—~~ ~~(5) private key.~~

~~(3) "Private key" means the same as that term is defined in Section 13-62-101.~~

~~(4) "Registry" means the Noncustodial Blockchain Registry described in Section 63N-16-402.~~

~~(~~6~~5) "User" means a person who engages in a financial transaction through a blockchain company.~~

Section 2. Section **63N-16-402** is enacted to read:

##### **63N-16-402. Noncustodial Blockchain Registry -- Contents -- Rulemaking.**

(1) The regulatory relief office shall maintain a Noncustodial Blockchain Registry that lists noncustodial blockchain companies conducting business in the state.

(2) For each registered noncustodial blockchain company, the regulatory relief office

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shall include on the registry:

(a) the name of the noncustodial blockchain company; and

(b) the noncustodial blockchain company's authorized agents in the state, if any; ~~and~~;

~~{ (c) the date the noncustodial blockchain company is placed on the registry.~~

~~†~~ (3) The regulatory relief office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the registry.

Section 3. Section **63N-16-403** is enacted to read:

**63N-16-403. Registry application -- Certificate -- Renewal -- Removal -- Notice.**

(1) (a) Subject to Subsection (1)(b), an applicant for placement on the registry shall provide to the regulatory relief office:

(i) an application in a form prescribed by the regulatory relief office; and

(ii) a fee established by the regulatory relief office in accordance with Section 63J-1-504.

(b) The application shall include:

(i) a place for the name of the applicant, including any trade name used by the applicant in the conduct of the applicant's business;

(ii) a place for a description of the activities conducted by the applicant in the state;

(iii) a place for the applicant to list the applicant's:

(A) authorized agents in the state, if any; and

(B) website URL;

(iv) a description of general noncustodial blockchain company activities;

(v) a place for the applicant to acknowledge that the applicant is a noncustodial blockchain company; and

(vi) a statement notifying the applicant that the applicant ~~will~~ may be removed from the registry if the applicant:

(A) ceases to operate as a noncustodial blockchain company; or

(B) engages in unlawful activity.

(2) (a) Upon receipt of ~~a completed~~ the application and fee described in Subsection (1), the regulatory relief office shall:

~~(a)~~ (i) place the applicant on the registry; and

~~(b)~~ (ii) issue a certificate of registration to the applicant.

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~~(3) (a) After issuance of a certificate under Subsection (2), the regulatory relief office shall include the~~ (b) A noncustodial blockchain company on the registry unless, in accordance with Subsection (4), the noncustodial blockchain company:

~~(i) requests removal from the registry in writing; or~~  
~~(ii) notifies the regulatory relief office that~~ company's registration expires one year after the day on which the noncustodial blockchain company is ~~no longer functioning as a~~ placed on the registry.

(c) A noncustodial blockchain company

~~(b) Upon receipt of a request or notice described in Subsection (4), the regulatory relief office shall remove~~ may renew the noncustodial blockchain ~~company from the registry.~~

~~(4)~~ company's registration by providing to the regulatory relief office:

(i) a renewal application in a form prescribed by the regulatory relief office; and

(ii) a renewal fee established by the regulatory relief office in accordance with Section

63J-1-504.

(3) A registered noncustodial blockchain company:

(a) shall immediately provide written notice to the regulatory relief office upon ceasing to operate as a noncustodial blockchain company; and

(b) may request removal from the registry in writing.

(4) The regulatory relief office shall remove a registered noncustodial blockchain company from the registry if:

(a) the noncustodial blockchain company's registration expires without renewal;

(b) the noncustodial blockchain company provides the notice or request described in

Subsection (3); or

(c) the regulatory relief office knows or has reason to know the noncustodial blockchain company is engaging in unlawful activity.