

HB0118S01 compared with HB0118

~~text~~ shows text that was in HB0118 but was deleted in HB0118S01.

text shows text that was not in HB0118 but was inserted into HB0118S01.

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:

PROHIBITION OF PRODUCTION OF PRIVATE KEYS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: {} Trevor Lee

Senate Sponsor: {} _____

LONG TITLE

General Description:

This bill provides protection for private personal digital data.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ provides protection to a person from being compelled to produce the person's private electronic key that provides access to the person's digital assets, identity, or other interest.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

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Utah Code Sections Affected:

AMENDS:

13-62-101, as enacted by Laws of Utah 2022, Chapter 448

ENACTS:

13-62-103, Utah Code Annotated 1953

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

Section 1. Section **13-62-101** is amended to read:

13-62-101. Definitions.

As used in this chapter:

(1) "Agent" means a person who is authorized to act on behalf of an owner with respect to a digital asset.

(2) "Control" means:

(a) an owner or an agent has the exclusive legal authority to conduct a transaction relating to the digital asset, including by means of a private key or the use of a multi-signature arrangement the owner or agent authorizes; or

(b) a secured party has created a smart contract [~~which~~] that gives the secured party exclusive legal authority to conduct a transaction relating to a digital security.

(3) (a) "Digital asset" means a representation of economic, proprietary, or access rights that is stored in a computer readable format.

(b) "Digital asset" includes:

(i) a digital user asset; or

(ii) a digital security.

(4) "Digital security" means a digital asset [~~which~~] that constitutes a security, as that term is defined in Section 70A-8-101.

(5) (a) "Digital user asset" means a digital asset that is used or bought primarily for consumptive, personal, or household purposes.

(b) "Digital user asset" includes an open blockchain token.

(c) "Digital user asset" does not include a digital security.

(6) "Multi-signature arrangement" means a system of access control relating to a digital asset for the purposes of preventing unauthorized transactions relating to the digital asset, in

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which two or more private keys are required to conduct a transaction.

(7) "Private key" means a unique element of cryptographic data~~[, which]~~ that is:

(a) held by a person;

(b) paired with a ~~[unique, publicly available element of cryptographic data]~~ public key;

and

(c) ~~[associated with an algorithm that is necessary to carry out an encryption or decryption required to execute a transaction.]~~ used to digitally sign a transaction.

(8) "Public key" means a unique element of cryptographic data that ~~is~~:

(a) is publicly available;

(b) is paired with a private key that is held by the owner of the public key; and

(c) ~~[associated with an algorithm that is necessary to carry out an encryption or decryption required to execute a transaction.]~~

allows viewing, but not digitally signing, electronic transactions.

~~[(8)] (9)~~ "Smart contract" means a transaction ~~[which]~~ that is comprised of code, script, or programming language that executes the terms of an agreement, and which may include taking custody of and transferring a digital asset, or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions.

Section 2. Section **13-62-103** is enacted to read:

13-62-103. Protection of private keys.

(1) (a) Except as provided in Subsection (1)(b), a person may not be compelled to produce a private key, or any components that allow the derivation of a private key, or make a private key known to any other person in any civil, criminal, administrative, legislative, or other proceeding in the state that relates to a digital asset, digital identity, or other interest or right to which the private key provides access.

(b) A person may be compelled in a civil, criminal, administrative, legislative, or other lawful proceeding in the state to produce a private key if a public key is unavailable or unable to disclose the information requested to be obtained.

(2) A person may be compelled ~~[in a lawful proceeding]~~ by court order to:

(a) produce, sell, transfer, convey, or disclose a digital asset, digital identity, or other interest or right to which a private key provides access; or

(b) disclose information about the digital asset, digital identity, or other interest or

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right.

Section 3. **Effective date.**

This bill takes effect on May 1, 2024.