

ORIGINAL SENATE
FILE NO. SF0068

ENROLLED ACT NO. 16, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2022 BUDGET SESSION

AN ACT relating to corporations; amending statutory provisions regulating decentralized autonomous organizations; amending definitions; making technical corrections; amending the obligations of members and dissociated members; amending factors for dissolution of a decentralized autonomous organization; repealing definitions and provisions related to decentralized autonomous organizations; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 17-31-102(a)(v), (vi) and (ix), 17-31-103(a), 17-31-104(e), 17-31-105 by creating a new subsection (e), 17-31-106(c)(x), by creating a new paragraph (xi) and renumbering (xi) as (xii), 17-31-108, 17-31-109, 17-31-111(a)(i) and (ii), 17-31-112, 17-31-113(a) and by creating a new subsection (d) and 17-31-114(a)(ii), (v), by creating a new paragraph (vi) and by creating a new subsection (c) are amended to read:

17-31-102. Definitions.

(a) As used in this chapter:

(v) "Majority of the members," means ~~the approval of~~ more than fifty percent (50%) of ~~participating~~ the membership interests eligible to participate in a vote ~~for which a quorum of members is participating or any membership interests required pursuant to the decentralized autonomous organization's articles of organization or operating agreement~~. A person dissociated as a member as set forth in W.S. 17-29-602 shall not be included for the purposes of calculating the majority of the members;

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(vi) "Membership interest" means a member's ownership ~~share~~ right in a ~~member managed~~ decentralized autonomous organization, which may be ~~defined in the entity's~~ determined by the organization's articles of organization, ~~smart contract~~ or operating agreement or ascertainable from a blockchain on which the organization relies to determine a member's ownership right. A membership interest may also be characterized as either a digital security or a digital consumer asset as defined in W.S. 34-29-101, if designated as such in the organization's articles of organization or operating agreement;

(ix) "Smart contract" means an automated transaction, as defined in W.S. 40-21-102(a)(ii), or any substantially similar analogue, ~~which is comprised of or code, script or programming language that executes the terms of an agreement and~~ relying on a blockchain which may include taking custody of and transferring an asset, administrating membership interest votes with respect to a decentralized autonomous organization or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions.

17-31-103. Application of Wyoming Limited Liability Company Act.

(a) The Wyoming Limited Liability Company Act applies to decentralized autonomous organizations to the extent not inconsistent with the provisions of this chapter, and the powers provided to the secretary of state by W.S. 17-29-1102 shall apply to this chapter.

17-31-104. Definition and election of decentralized autonomous organization status.

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(e) A statement in the articles of organization ~~may define~~ shall establish how the decentralized autonomous organization ~~as either a member shall be managed decentralized autonomous organization or an by the members, including to what extent the management will be conducted~~ algorithmically. ~~managed decentralized autonomous organization. If the type of decentralized autonomous organization is not otherwise provided for, the limited liability company will be presumed to be a member managed decentralized autonomous organization.~~

17-31-105. Formation.

(e) If the articles of organization filed pursuant to subsection (a) of this section does not include a publicly available identifier as required by W.S. 17-31-106(b), the person filing shall have thirty (30) days to provide the publicly available identifier to the secretary of state. If the publicly available identifier is not provided within thirty (30) days, the secretary of state shall dissolve the decentralized autonomous organization.

17-31-106. Articles of organization.

(c) Except as otherwise provided in this chapter, the articles of organization and the smart contracts for a decentralized autonomous organization shall govern all of the following:

(x) Procedures for ~~amending, updating, editing or changing applicable~~ modifying or otherwise revising the organization's smart contracts;

(xi) Dispute resolution;

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~~(xi)~~(xii) All other aspects of the decentralized autonomous organization.

17-31-108. Operating agreement.

To the extent the articles of organization or smart contract do not otherwise provide for a matter described in W.S. 17-31-106, the obligations, rights and duties of the members and operation of a decentralized autonomous organization may be supplemented by an operating agreement. An operating agreement may be a smart contract.

17-31-109. Management.

Management of a decentralized autonomous organization shall be vested in its members, ~~if member managed,~~ or the members and any applicable smart ~~contract,~~ ~~if algorithmically managed,~~ ~~unless otherwise provided in the articles of organization or operating agreement~~ contracts. All smart contracts utilized by a decentralized autonomous organization shall be capable of being updated, modified or otherwise upgraded.

17-31-111. Membership interests for decentralized autonomous organizations; voting.

(a) For purposes of W.S. 17-31-113 and 17-31-114 and unless otherwise provided for in the articles of organization, smart contract or operating agreement:

(i) Membership interests in a ~~member managed~~ decentralized autonomous organization shall be calculated by dividing a member's contribution of digital assets to the organization ~~divided~~ by the total amount of digital

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assets contributed to the organization at the time of a vote; or

(ii) If all members ~~do~~have not ~~contribute~~contributed digital assets to an organization as a prerequisite to becoming a member, each member shall possess one (1) membership interest and be entitled to one (1) vote;

17-31-112. Right of members and dissociated members to information.

To the extent the information is available on an open blockchain, members and dissociated members shall have no right under W.S. 17-29-410 to separately inspect or copy records of a decentralized autonomous organization and the organization shall have no obligation to furnish any information to members or dissociated members concerning the organization's activities, financial condition or other circumstances. ~~to the extent the information is available on an open blockchain.~~

17-31-113. Membership and withdrawal of members.

(a) Except as specified in subsection (d) of this section, a member may only withdraw from a decentralized autonomous organization in accordance with the terms set forth in the articles of organization, the smart contracts or, ~~if applicable,~~ the operating agreement.

(d) Where the articles of organization, operating agreement and smart contracts for a decentralized autonomous organization do not specify the manner by which a person:

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(i) Becomes a member of a decentralized autonomous organization, a person shall be considered a member if the person purchases or otherwise assumes a right of ownership of a membership interest or other property that confers upon the person a voting or economic right within the decentralized autonomous organization;

(ii) Withdraws membership from a decentralized autonomous organization, the person shall cease to be a member if the person transfers, sells or alienates all membership interests or other property that confers upon the person a voting or economic right within the decentralized autonomous organization and retains no further right of ownership therein.

17-31-114. Dissolution.

(a) A decentralized autonomous organization organized under this chapter shall be dissolved upon the occurrence of any of the following events:

(ii) By vote of the majority of the members of a ~~member managed~~ decentralized autonomous organization;

(v) ~~By order of the secretary of state if~~ The decentralized autonomous organization ~~is deemed to~~ no longer ~~perform~~ performs a lawful purpose. or is no longer under the control of at least one (1) natural person;

(vi) Where all members of the decentralized autonomous organization have withdrawn in accordance with W.S. 17-31-113.

(c) Any interested party may petition a court of competent jurisdiction for dissolution of a decentralized

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autonomous organization upon the occurrence of any of the events specified in subsection (a) of this section and upon finding the occurrence of one (1) or more of the events specified in subsection (a) of this section the court shall enter an order dissolving the decentralized autonomous organization.

Section 2. W.S. 17-31-102(a)(iv) and (viii), 17-31-105(d) and 17-31-111(a)(iii) are repealed.

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Section 3. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk