

SENATE FILE NO. SF0068

Decentralized autonomous organizations-amendments.

Sponsored by: Select Committee on Blockchain, Financial
Technology and Digital Innovation Technology

A BILL

for

1 AN ACT relating to corporations; amending statutory
2 provisions regulating decentralized autonomous
3 organizations; amending definitions; making technical
4 corrections; amending the obligations of members and
5 dissociated members; amending factors for dissolution of a
6 decentralized autonomous organization; repealing
7 definitions and provisions related to decentralized
8 autonomous organizations; and providing for an effective
9 date.

10

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

12

13 **Section 1.** W.S. 17-31-102(a)(v), (vi) and (ix),
14 17-31-103(a), 17-31-104(e), 17-31-105 by creating a new
15 subsection (e), 17-31-106(c)(x), by creating a new

1 paragraph (xi) and renumbering (xi) as (xii), 17-31-108,
2 17-31-109, 17-31-111(a)(i) and (ii), 17-31-112,
3 17-31-113(a) and by creating a new subsection (d) and
4 17-31-114(a)(ii), (v), by creating a new paragraph (vi) and
5 by creating a new subsection (c) are amended to read:

6

7 **17-31-102. Definitions.**

8

9 (a) As used in this chapter:

10

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

20

21 (vi) "Membership interest" means a member's
22 ownership ~~share-right~~ in a ~~member-managed~~ decentralized
23 autonomous organization, which may be ~~defined in the~~

1 ~~entity's~~ determined by the organization's articles of
2 organization, ~~smart contract~~ or operating agreement or
3 ascertainable from a blockchain on which the organization
4 relies to determine a member's ownership right. A
5 membership interest may also be characterized as either a
6 digital security or a digital consumer asset as defined in
7 W.S. 34-29-101, if designated as such in the organization's
8 articles of organization or operating agreement;

9

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

20

21 **17-31-103. Application of Wyoming Limited Liability**
22 **Company Act.**

23

1 (a) The Wyoming Limited Liability Company Act applies
2 to decentralized autonomous organizations to the extent not
3 inconsistent with the provisions of this chapter, and the
4 powers provided to the secretary of state by W.S.
5 17-29-1102 shall apply to this chapter.

6

7 **17-31-104. Definition and election of decentralized**
8 **autonomous organization status.**

9

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

20

21 **17-31-105. Formation.**

22

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

9

10 **17-31-106. Articles of organization.**

11

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

16

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

20

21 (xi) Dispute resolution;

22

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

3

4 **17-31-108. Operating agreement.**

5

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

11 An operating agreement may be a smart contract.

12

13 **17-31-109. Management.**

14

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

23

1 **17-31-111. Membership interests for decentralized**
2 **autonomous organizations; voting.**

3
4 (a) For purposes of W.S. 17-31-113 and 17-31-114 and
5 unless otherwise provided for in the articles of
6 organization, smart contract or operating agreement:

7
8 (i) Membership interests in a ~~member-managed~~
9 decentralized autonomous organization shall be calculated
10 by dividing a member's contribution of digital assets to
11 the organization ~~divided~~ by the total amount of digital
12 assets contributed to the organization at the time of a
13 vote; or

14
15 (ii) If all members ~~do~~have not ~~contribute~~
16 contributed digital assets to an organization as a
17 prerequisite to becoming a member, each member shall
18 possess one (1) membership interest and be entitled to one
19 (1) vote;

20
21 **17-31-112. Right of members and dissociated members**
22 **to information.**

23

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

10

11 **17-31-113. Membership and withdrawal of members.**

12

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

18

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

23

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

7
8 (ii) Withdraws membership from a decentralized
9 autonomous organization, the person shall cease to be a
10 member if the person transfers, sells or alienates all
11 membership interests or other property that confers upon
12 the person a voting or economic right within the
13 decentralized autonomous organization and retains no
14 further right of ownership therein.

15
16 **17-31-114. Dissolution.**

17
18 (a) A decentralized autonomous organization organized
19 under this chapter shall be dissolved upon the occurrence
20 of any of the following events:

21
22 (ii) By vote of the majority of the members of a
23 ~~member managed~~ decentralized autonomous organization;

1

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

6

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

10

11 (c) Any interested party may petition a court of
12 competent jurisdiction for dissolution of a decentralized
13 autonomous organization upon the occurrence of any of the
14 events specified in subsection (a) of this section and upon
15 finding the occurrence of one (1) or more of the events
16 specified in subsection (a) of this section the court shall
17 enter an order dissolving the decentralized autonomous
18 organization.

19

20 **Section 2.** W.S. 17-31-102(a)(iv) and (viii),
21 17-31-105(d) and 17-31-111(a)(iii) are repealed.

22

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

5

6

(END)