

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

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

1 **Section 1.** W.S. 17-31-102(a)(v), (vi) and (ix), 17-
2 31-103(a), 17-31-104(e), 17-31-105 by creating a new
3 subsection (e), 17-31-106(c)(x) and by creating a new
4 paragraph (xi) and renumbering paragraph (xi) as (xii), 17-
5 31-108, 17-31-109, 17-31-111(a)(i) and (ii), 17-31-112, 17-
6 31-113(a) and 17-31-114(a)(ii), (v) and by creating a new
7 paragraph (vi) are amended to read:

8

9 **17-31-102. Definitions.**

10

11 (a) As used in this chapter:

12

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

22

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

12

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

23

1 **17-31-103. Application of Wyoming Limited Liability**
2 **Company Act.**

3
4 (a) The Wyoming Limited Liability Company Act applies
5 to decentralized autonomous organizations to the extent not
6 inconsistent with the provisions of this chapter, and the
7 powers provided to the secretary of state by W.S.
8 17-29-1102 shall apply to this chapter.

9
10 **17-31-104. Definition and election of decentralized**
11 **autonomous organization status.**

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

23

1 **17-31-105. Formation.**

2

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

12

13 **17-31-106. Articles of organization.**

14

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

19

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

23

1 (xi) Dispute resolution;

2

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

5

6 **17-31-108. Operating agreement.**

7

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

13

14 **17-31-109. Management.**

15

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

1

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

4

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

8

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

15

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

21

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

1

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

11

12 **17-31-113. Withdrawal of members.**

13

14 (a) 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 **17-31-114. Dissolution.**

20

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

1

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

4

5 (v) By order of ~~the secretary of state~~ a court
6 of competent jurisdiction if the decentralized autonomous
7 organization is deemed to no longer perform a lawful
8 purpose- or is no longer under the control of at least one
9 (1) natural person;

10

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

14

15 (c) Any interested party may petition the secretary
16 of state alleging the existence of any of the factors
17 requiring dissolution in subsection (a) of this section.
18 The secretary of state shall investigate and respond to the
19 petition within ninety (90) days of receipt and upon
20 finding the existence of one or more factors requiring
21 dissolution under subsection (a) of this section shall
22 dissolve the decentralized autonomous organization.

23

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)