2022 Regular Session

HOUSE BILL NO. 804

BY REPRESENTATIVE WRIGHT

COMMERCE: Provides relative to blockchain tokens

1   AN ACT

2 To enact Chapter 22 of Title 6 of the Louisiana Revised Statutes of 1950, to be comprised

3   of R.S. 6:1401, relative to blockchain tokens; to exempt blockchain tokens from

4   securities law; to provide conditions for approval; to provide for notice; to provide

5   for form; to provide for rulemaking; to provide a definition; and to provide for

6   related matters.

7 Be it enacted by the Legislature of Louisiana:

8   Section 1. Chapter 22 of Title 6 of the Louisiana Revised Statutes of 1950, comprised

9 of R.S. 6:1401, is hereby enacted to read as follows:

10   <u>CHAPTER 22. OPEN BLOCKCHAIN TOKEN EXEMPTIONS</u>

11   <u>§1401. Open blockchain exemptions; qualifications; notice; rulemaking</u>

12   <u>A. A developer or seller of an open blockchain token shall not be deemed the</u>

13   <u>issuer of a security and shall not be subject to the provisions of the Louisiana</u>

14   <u>Securities Law as provided for in R.S. 51:701 et seq. if all of the following</u>

15   <u>conditions are met:</u>

16   <u>(1) The developer or seller of the token, or the registered agent of the</u>

17   <u>developer or seller, files a notice of intent with the commissioner of the office of</u>

18   <u>financial institutions as specified in Subsection C of this Section.</u>

1   (2) The purpose of the token is for a consumptive purpose, which shall only

2   be exchangeable for, or provided for the receipt of, goods, services, or content,

3   including rights of access to goods, services, or content.

4   (3)(a) The developer or seller of the token did not sell the token to the initial

5   buyer as a financial investment.

6   (b) The provisions of Subparagraph (a) of this Paragraph shall be deemed

7   satisfied only if the following conditions are met:

8   (i) The developer or seller did not market the token as a financial investment.

9   (ii) At least one of the following is true:

10   (aa) The developer or seller of the token reasonably believed that it sold the

11   token to the initial buyer for a consumptive purpose.

12   (bb) The token has a consumptive purpose that is available at the time of sale

13   and can be used at or near the time of sale for use for a consumptive purpose.

14   (cc) If the token does not have a consumptive purpose available at the time

15   of sale, the initial buyer of the token is prevented from reselling the token until the

16   token is available for use for a consumptive purpose.

17   (dd) The developer or seller takes other reasonable precautions to prevent

18   buyers from purchasing the token as a financial investment.

19   B. A person who facilitates the exchange of an open blockchain token shall

20   not be deemed a broker-dealer or a person who otherwise deals in securities under

21   this Title and shall not be subject to the provisions of the Louisiana Securities Law,

22   R.S. 51:701 et seq., if all of the following conditions are met:

23   (1) The person, or the registered agent of the person, files a notice of intent

24   with the commissioner of the office of financial institutions, as specified in

25   Subsection C of this Section.

26   (2) The person has a reasonable and good-faith belief that a token, subject

27   to exchange, conforms to the requirements of Paragraph (1) of this Subsection.

28   (3) The person takes reasonably prompt action to terminate the exchange of

29   a token that does not conform to the requirements of this Subsection.

1   C.(1) A developer, seller, or a person who facilitates the exchange of an open

2   blockchain token, or the registered agent of the applicable person, shall electronically

3   file a notice of intent with the commissioner of the office of financial institutions

4   before the person may qualify for an exemption under this Chapter.

5   (2) The notice of intent required by this Subsection shall contain all of the

6   following:

7   (a) The name of the person acting as a developer, seller, or facilitator.

8   (b) The contact information of the person or the registered agent of the

9   person and whether the person will be acting as a developer, seller, or facilitator.

10   (3) A secure form, in accordance with Paragraph (2) of this Subsection, shall

11   be made available by the office of financial institutions on its website.

12   D.(1) As used in this Section, "open blockchain token" means a digital unit

13   which complies with Paragraphs (2) and (3) of this Subsection and is created in any

14   of the following manners:

15   (a) In response to the verification or collection of a specified number of

16   transactions relating to a digital ledger or database.

17   (b) By deploying computer code to a blockchain network that allows for the

18   creation of digital tokens or other units.

19   (c) Using any combination of the methods specified in Subparagraphs (a)

20   and (b) of this Paragraph.

21   (2) An open blockchain token shall be recorded in a digital ledger or

22   database which is chronological, consensus-based, decentralized, and mathematically

23   verified in nature, especially relating to the supply of units and their distribution.

24   (3) An open blockchain token shall be capable of being traded or transferred

25   between persons without an intermediary or custodian of value.

26   E. The commissioner of the office of financial institutions shall promulgate

27   rules to implement the provisions of this Chapter.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part
of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute
part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 804 Original   2022 Regular Session   Wright

Abstract: Exempts blockchain tokens from securities law when certain conditions are met.

Present law regulates the issuance and exchange of certain assets. Present law requires the
issuer or exchanger of covered assets to abide by certain rules including registration, bond,
records, and disclosure.

Proposed law defines "open blockchain tokens" and provides that they are exempted from
the provisions of present law when certain conditions are met. Proposed law enumerates the
necessary conditions.

Proposed law requires for notice of intent to be filed with the commissioner of the office of
financial institutions and requires the form to be posted on the office's website.

Proposed law specifies what information is to be contained in the notice.

Proposed law requires the commissioner of the office of financial institutions to promulgate
rules.

(Adds R.S. 6:1401)