

House Engrossed  
**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 97**  
**HOUSE BILL 2417**

AN ACT

AMENDING SECTION 44-7003, ARIZONA REVISED STATUTES; AMENDING TITLE 44,  
CHAPTER 26, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5; RELATING TO  
ELECTRONIC TRANSACTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 44-7003, Arizona Revised Statutes, is amended to  
3 read:

4 44-7003. Scope

5 A. Except as otherwise provided in ~~subsection~~ SUBSECTIONS B AND C  
6 of this section, this chapter applies to any electronic record and  
7 electronic signature relating to a transaction.

8 B. FOR THE PURPOSES OF THIS ARTICLE AND ARTICLES 2, 3 AND 4 OF THIS  
9 CHAPTER, this chapter does not apply to a transaction to the extent the  
10 transaction is governed by:

11 1. Title 14 as it relates to the creation and execution of wills,  
12 codicils or testamentary trusts.

13 2. Title 47, other than TITLE 47, chapters 2 and 2A and section  
14 47-1306 and as otherwise provided in section 44-7016.

15 C. ARTICLE 5 OF THIS CHAPTER APPLIES ONLY TO TRANSACTIONS GOVERNED  
16 BY TITLE 47, CHAPTERS 2, 2A AND 7.

17 ~~C.~~ D. This chapter applies to an electronic record or electronic  
18 signature otherwise excluded from the application of this chapter under  
19 subsection B OR C of this section to the extent the record or signature is  
20 governed by a law other than those laws described in subsection B OR C of  
21 this section.

22 ~~D.~~ E. Any transaction subject to this chapter is also subject to  
23 any other applicable substantive law.

24 Sec. 2. Title 44, chapter 26, Arizona Revised Statutes, is amended  
25 by adding article 5, to read:

26 ARTICLE 5. BLOCKCHAIN TECHNOLOGY

27 44-7061. Signatures and records secured through blockchain  
28 technology; smart contracts; ownership of  
29 information; definitions

30 A. A SIGNATURE THAT IS SECURED THROUGH BLOCKCHAIN TECHNOLOGY IS  
31 CONSIDERED TO BE IN AN ELECTRONIC FORM AND TO BE AN ELECTRONIC SIGNATURE.

32 B. A RECORD OR CONTRACT THAT IS SECURED THROUGH BLOCKCHAIN  
33 TECHNOLOGY IS CONSIDERED TO BE IN AN ELECTRONIC FORM AND TO BE AN  
34 ELECTRONIC RECORD.

35 C. SMART CONTRACTS MAY EXIST IN COMMERCE. A CONTRACT RELATING TO A  
36 TRANSACTION MAY NOT BE DENIED LEGAL EFFECT, VALIDITY OR ENFORCEABILITY  
37 SOLELY BECAUSE THAT CONTRACT CONTAINS A SMART CONTRACT TERM.

38 D. NOTWITHSTANDING ANY OTHER LAW, A PERSON THAT, IN OR AFFECTING  
39 INTERSTATE OR FOREIGN COMMERCE, USES BLOCKCHAIN TECHNOLOGY TO SECURE  
40 INFORMATION THAT THE PERSON OWNS OR HAS THE RIGHT TO USE RETAINS THE SAME  
41 RIGHTS OF OWNERSHIP OR USE WITH RESPECT TO THAT INFORMATION AS BEFORE THE  
42 PERSON SECURED THE INFORMATION USING BLOCKCHAIN TECHNOLOGY. THIS  
43 SUBSECTION DOES NOT APPLY TO THE USE OF BLOCKCHAIN TECHNOLOGY TO SECURE  
44 INFORMATION IN CONNECTION WITH A TRANSACTION TO THE EXTENT THAT THE TERMS

1 OF THE TRANSACTION EXPRESSLY PROVIDE FOR THE TRANSFER OF RIGHTS OF  
2 OWNERSHIP OR USE WITH RESPECT TO THAT INFORMATION.

3 E. FOR THE PURPOSES OF THIS SECTION:

4 1. "BLOCKCHAIN TECHNOLOGY" MEANS DISTRIBUTED LEDGER TECHNOLOGY THAT  
5 USES A DISTRIBUTED, DECENTRALIZED, SHARED AND REPLICATED LEDGER, WHICH MAY  
6 BE PUBLIC OR PRIVATE, PERMISSIONED OR PERMISSIONLESS, OR DRIVEN BY  
7 TOKENIZED CRYPTO ECONOMICS OR TOKENLESS. THE DATA ON THE LEDGER IS  
8 PROTECTED WITH CRYPTOGRAPHY, IS IMMUTABLE AND AUDITABLE AND PROVIDES AN  
9 UNCENSORED TRUTH.

10 2. "SMART CONTRACT" MEANS AN EVENT-DRIVEN PROGRAM, WITH STATE, THAT  
11 RUNS ON A DISTRIBUTED, DECENTRALIZED, SHARED AND REPLICATED LEDGER AND  
12 THAT CAN TAKE CUSTODY OVER AND INSTRUCT TRANSFER OF ASSETS ON THAT LEDGER.

**APPROVED BY THE GOVERNOR MARCH 29, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2017.**

Passed the House February 23, 2017

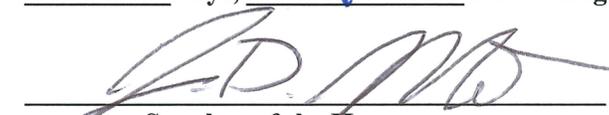
Passed the Senate March 23, 2017

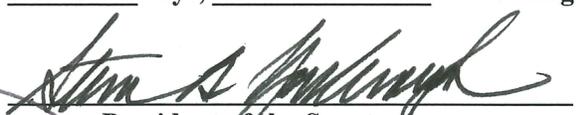
by the following vote: 59 Ayes,

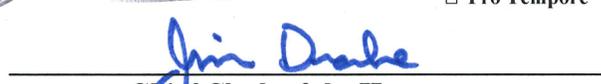
by the following vote: 28 Ayes,

0 Nays, 1 Not Voting

1 Nays, 1 Not Voting

  
\_\_\_\_\_  
Speaker of the House  
 Pro Tempore

  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Chief Clerk of the House

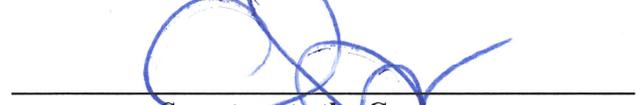
  
\_\_\_\_\_  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

27 day of March, 2017

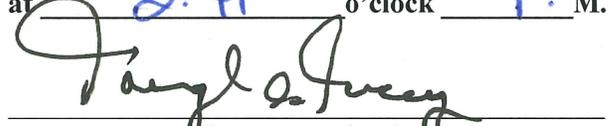
at 2:21 o'clock P. M.

  
\_\_\_\_\_  
Secretary to the Governor

Approved this 29<sup>th</sup> day of

March, 2017

at 2:41 o'clock P. M.

  
\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 29 day of March, 2017

at 4:59 o'clock P. M.

  
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Secretary of State

H.B. 2417