By Senator Brodeur

10-00598-24   2024882__

1   A bill to be entitled

2   An act relating to decentralized autonomous

3   organizations; creating part IV of ch. 607, F.S.,

4   entitled "Decentralized Autonomous Organizations";

5   creating s. 607.71, F.S.; defining terms; creating s.

6   607.72, F.S.; authorizing a decentralized autonomous

7   organization (DAO) to incorporate as a corporation or

8   organize as a limited liability company if certain

9   conditions are met; providing for construction;

10   creating s. 607.73, F.S.; providing that a DAO member,

11   participant, smart contract, algorithm, or wallet is

12   not liable for actions, decisions, or liabilities of

13   the DAO; creating s. 607.74, F.S.; authorizing DAOs to

14   raise unlimited amounts of capital, subject to certain

15   limitations and requirements; creating s. 607.75,

16   F.S.; providing for construction; providing an

17   effective date.

18

19   Be It Enacted by the Legislature of the State of Florida:

20

21   Section 1. Part IV of chapter 607, Florida Statutes,

22   consisting of ss. 607.71-607.75, Florida Statutes, is created

23   and entitled "Decentralized Autonomous Organizations."

24   Section 2. Section 607.71, Florida Statutes, is created to

25   read:

26   607.71 Definitions.—As used in this part, the term:

27   (1) "Automated transaction" means any transaction executed

28   through computer code without the need for human intervention.

29   (2) "Decentralized autonomous organization" or "DAO" means

10-00598-24   2024882__

30 an organization composed of at least two or more persons,

31 algorithms, or smart contracts responsible for executing

32 automated transactions from a blockchain smart contract wallet.

33   (3) "Person" means a natural person or legal entity.

34   (4) "Smart contract" means self-executing computer code

35 that automates the execution of predefined actions upon meeting

36 specified conditions.

37   Section 3. Section 607.72, Florida Statutes, is created to

38 read:

39   607.72 Legal recognition and registration.—

40   (1) A DAO may incorporate as provided under part I of

41 chapter 607 or organize as a limited liability company under

42 chapter 605 if the articles of incorporation or articles of

43 organization, as applicable, explicitly reference the smart

44 contract that confers DAO participation and governance rights

45 upon its members, participants, smart contracts, algorithms, or

46 wallets.

47   (2) A DAO's incorporation or organization as a corporation

48 or limited liability company, respectively, may not be construed

49 to affect the application of s. 607.73.

50   Section 4. Section 607.73, Florida Statutes, is created to

51 read:

52   607.73 Liability.—A DAO member, participant, smart

53 contract, algorithm, or wallet is not liable to any other DAO

54 member, participant, smart contract, algorithm, or wallet for

55 the actions, decisions, or liabilities of the DAO.

56   Section 5. Section 607.74, Florida Statutes, is created to

57 read:

58   607.74 Raising of capital; reporting requirements.—A DAO

Page 2 of 3

10-00598-24   2024882__

59 may raise unlimited amounts of capital, subject to the following

60 conditions:

61   (1) The DAO must have a governance structure and use

62 decisionmaking processes that are publicly identifiable and

63 transparent.

64   (2) The DAO's activities must primarily relate to the

65 development, maintenance, or support of open-source software.

66   (3) If the DAO facilitates any financial transactions

67 through traditional financial institutions not using blockchain

68 technology, the DAO must register with the Department of State

69 and file annual financial statements with the department in the

70 same manner as provided in s. 607.1601. Any such financial

71 statements must be made available by the Secretary of State for

72 inspection and copying upon request.

73   Section 6. Section 607.75, Florida Statutes, is created to

74 read:

75   607.75 Construction.—In the event of a conflict between

76 state law and the governance procedures of a DAO doing business

77 in this state, the governance procedures of the DAO shall

78 prevail and supersede conflicting laws to the extent of the

79 conflict.

80   Section 7. This act shall take effect July 1, 2024.