

HOUSE No. 3917

The Commonwealth of Massachusetts

PRESENTED BY:

Josh S. Cutler

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to establishing a BLLC.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>	<i>1/18/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/27/2023</i>

HOUSE No. 3917

By Representative Cutler of Pembroke, a petition (accompanied by bill, House, No. 3917) of Josh S. Cutler and Vanna Howard for legislation to establish a blockchain-based limited liability company. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to establishing a BLLC.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 156C of the General Laws is hereby amended by adding the following section:-

2 Section 73. (a) As used in this section, the following terms shall, unless the context
3 clearly requires otherwise, have the following meanings:

4 “BLLC”, a blockchain-based limited liability company formed pursuant to this section.

5 “Blockchain”, a cryptographically-secured, chronological, decentralized consensus ledger
6 or consensus database, maintained via Internet interaction, peer-to-peer network or other
7 interaction.

8 “Participant”, each person that: (i) has a partial or complete copy of the decentralized
9 consensus ledger or database utilized by the blockchain technology, or otherwise participates in
10 the validation processes of that ledger or database; (ii) is in control of any digital asset native to
11 the blockchain technology; and (iii) makes a material contribution to the protocols.

12 (b) A limited liability company organized pursuant to this chapter that operates a business
13 that utilizes blockchain technology for a material portion of its business activities may elect to
14 become a BBLLC by amending its articles of organization and providing notice to the state
15 secretary.

16 (c) A BBLLC shall have all of the powers, privileges, duties and obligations of a limited
17 liability company organized pursuant to this chapter. A BBLLC shall be subject to the provisions
18 of this chapter that do not conflict with this section.

19 (d) The operating agreement for a BBLLC shall include:

20 (1) a description of the mission or purpose of the BBLLC;

21 (2) whether the decentralized consensus ledger or database utilized or enabled by the
22 BBLLC will be fully or partially decentralized, and whether the ledger or database will be fully
23 or partially public or private, including the extent of participants' access to information and read
24 and write permissions with respect to protocols;

25 (3) voting procedures, which may include smart contracts carried out on the blockchain
26 technology;

27 (4) protocols for responding to system security breaches or other unauthorized actions
28 that affect the integrity of the blockchain technology utilized by the BBLLC;

29 (5) protocol for obtaining ownership or profit interest in the BBLLC; and

30 (6) the rights and obligations of each group of participants within the BBLLC, including
31 information regarding which participants are entitled to the rights and obligations of members
32 and managers.