1   **PROHIBITION OF PRODUCTION OF PRIVATE KEYS**

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor: Kirk A. Cullimore

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3   **LONG TITLE**

4   **General Description:**

5   This bill provides protection for private personal digital data.

6   **Highlighted Provisions:**

7   This bill:

8   ‣ defines terms; and

9   ‣ provides protection to a person from being compelled to produce the person's private

10   electronic key that provides access to the person's digital assets, identity, or other interest.

11 **Money Appropriated in this Bill:**

12   None

13 **Other Special Clauses:**

14   None

15 **Utah Code Sections Affected:**

16 AMENDS:

17   **13-62-101**, as enacted by Laws of Utah 2022, Chapter 448

18 ENACTS:

19   **13-62-103**, as Utah Code Annotated 1953

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21 *Be it enacted by the Legislature of the state of Utah:*

22   Section 1. Section **13-62-101** is amended to read:

23   **13-62-101 . Definitions.**

24   As used in this chapter:

25 (1) "Agent" means a person who is authorized to act on behalf of an owner with respect to a

26   digital asset.

27 (2) "Control" means:

28   (a) an owner or an agent has the exclusive legal authority to conduct a transaction

29   relating to the digital asset, including by means of a private key or the use of a

30   multi-signature arrangement the owner or agent authorizes; or

31   (b) a secured party has created a smart contract [which] that gives the secured party

32   exclusive legal authority to conduct a transaction relating to a digital security.

33   (3) (a) "Digital asset" means a representation of economic, proprietary, or access rights

34   that is stored in a computer readable format.

35   (b) "Digital asset" includes:

36   (i) a digital user asset; or

37   (ii) a digital security.

38   (4) "Digital security" means a digital asset [which] that constitutes a security, as that term is

39   defined in Section 70A-8-101.

40   (5) (a) "Digital user asset" means a digital asset that is used or bought primarily for

41   consumptive, personal, or household purposes.

42   (b) "Digital user asset" includes an open blockchain token.

43   (c) "Digital user asset" does not include a digital security.

44   (6) "Multi-signature arrangement" means a system of access control relating to a digital

45   asset for the purposes of preventing unauthorized transactions relating to the digital

46   asset, in which two or more private keys are required to conduct a transaction.

47   (7) "Private key" means a unique element of cryptographic data[, which] that is:

48   (a) held by a person;

49   (b) paired with a [unique, publicly available element of cryptographic data] public key;

50   and

51   (c) [associated with an algorithm that is necessary to carry out an encryption or

52   decryption required to execute a transaction.] used to digitally sign a transaction.

53   (8) "Public key" means a unique element of cryptographic data that:

54   (a) is publicly available;

55   (b) is paired with a private key that is held by the owner of the public key; and

56   (c) allows viewing, but not digitally signing, electronic transactions.

57   [(8)] (9) "Smart contract" means a transaction [which] that is comprised of code, script, or

58   programming language that executes the terms of an agreement, and which may include

59   taking custody of and transferring a digital asset, or issuing executable instructions for

60   these actions, based on the occurrence or nonoccurrence of specified conditions.

61   Section 2. Section **13-62-103** is enacted to read:

62   **13-62-103 . Protection of private keys.**

63   (1) (a) Except as provided in Subsection (1)(b), a person may not be compelled to

64   produce a private key, or any components that allow the derivation of a private key,

65   or make a private key known to any other person in any civil, criminal,

66   administrative, legislative, or other proceeding in the state that relates to a digital

67   asset, digital identity, or other interest or right to which the private key provides

68   access.

69   (b) A person may be compelled in a civil, criminal, administrative, legislative, or other

70   lawful proceeding in the state to produce a private key if a public key is unavailable

71   or unable to disclose the information requested to be obtained.

72   (2) A person may be compelled by court order to:

73   (a) produce, sell, transfer, convey, or disclose a digital asset, digital identity, or other

74   interest or right to which a private key provides access; or

75   (b) disclose information about the digital asset, digital identity, or other interest or right.

76   Section 3. **Effective date.**

77   This bill takes effect on May 1, 2024.