CHAPTER 554E

DIGITAL LEDGER TECHNOLOGY — SMART CONTRACTS — ELECTRONIC RECORDS

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554E.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Contract"* means the same as defined in section 554D.103.

2. *"Digital asset"* means any electronic record that represents, evidences, or comprises economic value or economic, proprietary, or access rights, is maintained or stored in or as an electronic ledger or other record of transactions, or is used as a medium of exchange, unit of account, method of payment, or store of value.

3. *"Distributed ledger technology"* means an electronic record that is a ledger or other record of transactions or other data to which all of the following apply:

a. The electronic record is uniformly ordered.

b. The electronic record is redundantly maintained or processed by or distributed over more than one computer or machine to ensure the consistency, immutability, decentralization, or nonrepudiation of the ledger or other record of transactions or other data.

4. *"Electronic"* means the same as defined in section 554D.103.

5. *"Electronic record"* means the same as defined in section 554D.103.

6. *"Electronic services system"* means the county land record information system, or electronic services system, created under the agreement entered into under chapter 28E between the counties and the Iowa county recorders association as required by 2005 Iowa Acts, ch. 179, §101, as amended by 2021 Iowa Acts, ch. 126, §2.

7. *"Record"* means the same as defined in section 554D.103.

8. *a. "Smart contract"* means an electronic record that is an event-driven program or computerized transaction protocol that runs on a distributed, decentralized, shared, and replicated ledger that executes the terms of a contract.

b. For purposes of this subsection, *"executes the terms of a contract"* may include taking, obtaining, exercising, or transferring control or custody of assets or other property.

9. *"Transaction"* means a sale, trade, exchange, transfer, payment, or conversion of a digital asset or any other property or any other action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.

2022 Acts, ch 1116, §4; 2024 Acts, ch 1023, §134
Referred to in §554G.1

554E.2 Classification of digital assets.

Digital assets are personal property.

2022 Acts, ch 1116, §5; 2024 Acts, ch 1023, §135

554E.3 Legal effect of distributed ledger technology and smart contract.

1. A record, signature, or contract shall not be denied legal effect or enforceability solely because it is created, generated, sent, signed, adopted, communicated, received, recorded, or stored by means of distributed ledger technology or a smart contract.

2. A contract shall not be denied legal effect or enforceability solely because of any of the following:

a. The contract contains a smart contract term.

b. An electronic record, distributed ledger technology, or a smart contract was used in the formation of the contract.

3. Notwithstanding any other law to the contrary, a person using distributed ledger technology in the course of engaging in or affecting intrastate commerce, interstate commerce, or foreign commerce to secure information that the person owns or has the right to use retains the same rights of ownership or use with respect to such information

as before the person secured the information using distributed ledger technology. This subsection does not apply to the use of distributed ledger technology to secure information in connection with a transaction to the extent that the terms of the transaction expressly provide for the transfer of rights of ownership or use with respect to such information.

2022 Acts, ch 1116, §6

554E.4 Conveyance of real estate interest evidenced by electronic record.

Any transaction subject to this chapter that is intended to be evidenced by an instrument affecting real estate as defined in section 558.1 and is intended to provide constructive notice pursuant to section 558.11, or by any instrument that is otherwise required by law to be recorded by the office of the county recorder, shall be evidenced by a document that complies with the provisions of chapter 558, in a format suitable for recording and conforming with the document standards as established by the electronic services system.

2022 Acts, ch 1116, §7