

369.130 Definitions for KRS 369.130 to 369.139.

As used in KRS 369.130 to 369.139:

- (1) "Blockchain" means data that is:
 - (a) Shared across a peer-to-peer network to create a ledger of verified transactions or information among linked network participants using cryptography to:
 1. Maintain the integrity of the ledger; or
 2. Execute other functions; and
 - (b) Distributed in a concurrent, automated update to network participants on the state of the ledger and any other functions;
- (2) "Blockchain network" means a technical infrastructure that provides ledger and smart contract services to applications;
- (3) "Blockchain protocol" means any executable software:
 - (a) Deployed to a blockchain, including an additional standardized set of rules that:
 1. Uses an existing blockchain as a base;
 2. Facilitates the transfer of data and electronic records;
 3. Allows that data to be broadcast to nodes; and
 4. Is governed by a set of predefined rules which execute autonomously without human intervention and can be altered by a predetermined mechanism; and
 - (b) Composed of a source code that is publicly available and accessible, including a smart contract or any network of smart contracts;
- (4) "Cryptocurrency" has the same meaning as in KRS 139.516;
- (5) "Cryptography" means the practice of coding information to ensure only the person that a message was written for can read and process that information;
- (6) "Digital asset" means:
 - (a) Virtual currency;
 - (b) Cryptocurrency; and
 - (c) Natively electronic assets, including stablecoins, fungible tokens, and nonfungible tokens;that confer economic, proprietary, or access rights or powers;
- (7) "Hardware wallet" means a physical device that:
 - (a) Stores private keys offline;
 - (b) Provides a way to sign transactions and interact with the blockchain; and
 - (c) Allows the owner to retain independent control over the digital asset contained therein;
- (8) "Natively electronic asset" means a purely digital asset that exists only on the blockchain network;
- (9) "Node" means a computer which:

- (a) Uses software to:
 - 1. Communicate with other devices or participants on a blockchain to maintain consensus and integrity of that blockchain;
 - 2. Create and validate transaction blocks; or
 - 3. Contain and update a copy of a blockchain; and
 - (b) Does not exercise discretion over transactions initiated by the end users of the blockchain protocol;
- (10) "Nonfungible token" means a digital asset on a blockchain that:
- (a) Has unique identification codes and metadata that are recorded;
 - (b) Has been tokenized and cannot be replicated;
 - (c) Is used to certify ownership and authenticity; and
 - (d) Represents digital or physical items including artwork or real estate;
- (11) "Private key" means the access to manage digital assets at a specific internet address and may be used for encryption and digital signature;
- (12) "Self-hosted wallet" means a digital interface that can:
- (a) Secure and transfer digital assets; and
 - (b) Allow its owner to retain independent control of the secured digital assets and private keys;
- (13) "Smart contract" has the same meaning as in KRS 42.747;
- (14) "Stablecoin" means a digital asset that is:
- (a) Issued by a corporation;
 - (b) Backed by cash or high-quality liquid assets; and
 - (c) Redeemable on demand by the holder at par for a fixed monetary value in equivalent United States dollars;
- (15) "Staking" means using a node to commit digital assets to a blockchain network to:
- (a) Validate transactions;
 - (b) Propose and attest to blocks contained in the blockchain; and
 - (c) Secure the network;
- (16) (a) "Staking as a service" means the provision of technical staking services by a service provider on behalf of an individual or business that owns the digital assets being staked.
- (b) "Staking as a service" includes the operation of nodes and the associated infrastructure necessary to facilitate participation in blockchain protocols' consensus mechanisms;
- (17) "Third-party wallet" means a wallet that is hosted and controlled by a party other than the owner which contains the private keys for the owner of digital assets; and
- (18) "Wallet" means a digital interface or a physical device which holds digital assets or private keys, and may include a:
- (a) Hardware wallet;
 - (b) Self-hosted wallet; and

(c) Third-party wallet.

Effective: June 27, 2025

History: Created 2025 Ky. Acts ch. 50, sec. 1, effective June 27, 2025.