

SENATE BILL 168

N1

(6lr1629)

ENROLLED BILL

— Budget and Taxation/Economic Matters —

Introduced by **Senator Watson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 ~~State Department of Assessments and Taxation~~ **Study to Evaluate**
3 **Blockchain-Based Real Property *Lease and* Title ~~Pilot Program~~ **Establishment****
4 **Recordation and Verification**

5 FOR the purpose of ~~establishing the Blockchain-Based Real Property Title Pilot Program~~
6 in requiring the State Department of Assessments and Taxation, in coordination
7 with certain entities, to ~~explore~~ evaluate the use of blockchain technology for
8 securely recording and verifying real property ownership and leases and to assess its
9 potential for use by law enforcement and courts in resolving certain real property
10 disputes; and generally relating to the ~~Blockchain-Based Real Property Title Pilot~~
11 ~~Program~~ study to evaluate blockchain-based real property *lease and* title recordation
12 and verification.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 (a) (1) In this section the following words have the meanings indicated.

2 (2) “Blockchain” means a distributed ledger technology that provides a
3 secure, immutable, and transparent method of recording and storing data.

4 ~~(3) “Digital title” means a cryptographically secured token or smart
5 contract that represents ownership of real property in the State.~~

6 ~~(4) “Pilot jurisdictions” means not more than three counties in the State
7 selected by the State Department of Assessments and Taxation to implement the Pilot
8 Program.~~

9 ~~(5) “Pilot Program” means the Blockchain-Based Real Property Title Pilot
10 Program.~~

11 ~~(6)~~ (3) “Squatting” means the unauthorized occupation of real property by an
12 individual who does not have legal title, a lease, or the right of possession.

13 (b) ~~(1) There is a Blockchain-Based Real Property Title Pilot Program in the
14 The State Department of Assessments and Taxation, in coordination with the Maryland
15 Judiciary, the Maryland State Police, local law enforcement agencies, the Office of the
16 Attorney General, Maryland Legal Aid, the Public Justice Center, the Maryland Blockchain
17 Association, and third-party technology vendors, shall conduct a study to evaluate the use
18 of blockchain-based real property *lease and* title recordation and verification.~~

19 ~~(2)~~ (c) The ~~purpose of the Pilot Program is to~~ study shall:

20 ~~(i)~~ (1) ~~explore~~ evaluate the use of blockchain technology for securely
21 recording and verifying real property ownership *and leases*; and

22 ~~(ii)~~ (2) assess the potential for the use of blockchain technology to assist
23 law enforcement and courts in resolving real property disputes involving squatting.

24 ~~(e) (1) The State Department of Assessments and Taxation shall administer
25 the Pilot Program.~~

26 ~~(2) The Pilot Program shall begin on or before January 1, 2027.~~

27 ~~(d) The State Department of Assessments and Taxation shall coordinate with the
28 Maryland Judiciary, the Maryland State Police, local law enforcement agencies, and the
29 Office of the Attorney General to:~~

30 ~~(1) create a blockchain registry to record and verify digital titles;~~

31 ~~(2) authorize property owners in pilot jurisdictions to opt in to having their
32 property titles mirrored on the blockchain as digital titles;~~

1 ~~(3) provide a secure application programming interface for law~~
2 ~~enforcement and courts to validate the status of digital titles in real time;~~

3 ~~(4) test smart contract capabilities for title transfers and escrow functions;~~
4 ~~and~~

5 ~~(5) educate consumers, law enforcement, and courts on how to use the~~
6 ~~blockchain registry.~~

7 ~~(e) (1) Subject to paragraphs (2) and (3) of this subsection, the State~~
8 ~~Department of Assessments and Taxation may contract with third-party technology~~
9 ~~vendors to create the blockchain registry required under subsection (d) of this section.~~

10 ~~(2) If the State Department of Assessments and Taxation contracts with a~~
11 ~~technology vendor under paragraph (1) of this subsection, the Department shall use a~~
12 ~~competitive procurement process in accordance with Division II of the State Finance and~~
13 ~~Procurement Article.~~

14 ~~(3) A technology vendor under this subsection shall:~~

15 ~~(i) comply with cybersecurity standards; and~~

16 ~~(ii) ensure data privacy and interoperability with existing State~~
17 ~~systems.~~

18 ~~(f) (d) On or before December 31, ~~2028~~ 2026, the State Department of Assessments~~
19 ~~and Taxation, in coordination with the Maryland Judiciary, the Maryland State Police,~~
20 ~~local law enforcement agencies, and the Office of the Attorney General, Maryland Legal~~
21 ~~Aid, the Public Justice Center, the Maryland Blockchain Association, and third-party~~
22 ~~technology vendors, shall report the results of the Pilot Program and recommendations for~~
23 ~~statewide adoption study to the Governor and, in accordance with § 2-1257 of the State~~
24 ~~Government Article, the General Assembly.~~

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 ~~October June 1, 2026. It shall remain effective for a period of 2 years and 9 months and, at~~
27 ~~the end of June 30, 2029, this Act, with no further action required by the General Assembly,~~
28 ~~shall be abrogated and of no further force and effect.~~