



March 10, 2023

Dear State Legislators and Elected Officials,

We encourage you to carefully and cautiously consider portions of the Uniform Commercial Code proposed by the Uniform Law Commission relating to the definition of “money” and the introduction of a new term, “electronic money.”

We recognize uniform laws are helpful to our economy and provide a consistent and level playing field in a number of areas important to each of us in our work and family lives. The strength of the uniform laws comes from the slow, deliberate, and intentional way the laws are put together and amended as the need arises.

The UCC traditionally helps standardize what is already in practice in existing commercial and business transactions across the nation. Yet in the latest version of the UCC, the Commission is introducing new untested practices for where the federal government may intend business should go in the future.

The newly proposed amendment to the Uniform Commercial Code anticipates a new digital currency “electronic money” and can only refer to the Central Bank Digital Currency (CBDC) under consideration and testing by the Federal Reserve. The push for a CBDC comes from President Biden’s Executive Order 14067 issued in March of 2022. Members of Congress are pushing for an open and transparent debate over the role and function of a CBDC. There are far too many unknowns about what electronic money will look and act like for states to attempt to codify this unknown into the UCC.

For example, the proposed amendments to UCC Article 9 raise alarming concerns. Specifically, the new language related to “electronic money” defines “exclusive control” of the electronic money as, “a power is exclusive *even if*: (1) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded, limits the use of the electronic money or has a protocol programmed to cause a change, including a transfer or loss of control.” The UCC is establishing rules for a programmable digital currency, even though this does not exist and is not in use in the United States today.

We acknowledge the proposed UCC does not establish a digital currency, nor require its creation; however, it is prematurely setting the framework should the federal government ever implement a central bank digital currency. It is the job of lawmakers to create laws addressing problems or business that exist rather than guessing to make laws that could be needed in the future. Such an approach could have tremendous unintended consequences.

Additionally, provisions in this UCC would freeze out cryptocurrencies, such as Bitcoin, in existence today from ever being considered “money” in the future. The UCC states when defining “money” in Article 1 that it “does not include an electronic record that is a medium of exchange recorded and transferable in a system that existed and operated for the medium of exchange before the medium of exchange was authorized or adopted by the government.” If states pass this provision, they will unnecessarily favor the use of a government created programmable currency ahead of the federal government ever taking this action. Importantly, this new definition of “money” requires authorization or adoption of the medium of exchange *before* that medium of exchange exists. It is highly likely that a digital medium of exchange that is authorized or adopted by the government *before* it exists can only refer to a CBDC.

The strength of our uniform laws comes from the confidence and acceptance afforded us through the deliberate and thoughtful process. Attempting to codify rules on something that does not exist raises unneeded questions and undermines confidence in the uniform law process.

State elected officials have the responsibility to be prudent when it comes to something as important as the UCC and refrain from acting prematurely. We urge state legislators not to pass the proposed portions of the UCC redefining the definition of "money" and introducing the term and rules surrounding “electronic money” until “electronic money” actually exists in the United States.

Sincerely,

David Barton
Founder
WallBuilders
Pro-Family Legislative Network

Justin Haskins
Research Fellow
Director of Socialism Research Center
The Heartland Institute

Tim Barton
President
WallBuilders
Pro-Family Legislative Network

Ted Patterson
Vice President of Policy
Young Americans for Liberty

Mathew D. Staver, Esq.
Founder and Chairman
Liberty Counsel

Michele Bachmann
US House of Representatives
Fmr. Member, Minnesota

Tony Perkins
President
Family Research Council*

Andrew Roth
President
State Freedom Caucus Network

William G Boykin
LTG(R) US Army
Executive Vice President
Family Research Council*

Charlie Kirk
Founder and CEO
Turning Point USA

Pastor Rob McCoy
Co-Chair
TPUSA Faith

Kris Ullman
President
Eagle Forum

James Randy Forbes
US House of Representatives
Fmr. Member, Virginia
President and Co-Founder,
Congressional Prayer Caucus Foundation*

Brad Dacus
President
Pacific Justice Institute*

Lieutenant Colonel Allen B. West (US
Army, Retired)
Member, 112th US Congress
Executive Director, American Constitutional
Rights Union

Tim Macy
Chairman
Gun Owners of America

John Graves
President
Million Voices*

Jason Yates
CEO
My Faith Votes*

Bob McEwen
US House of Representatives
Fmr. Member, Ohio

Michael P. Farris
Attorney at Law

Mike Carter
Co-Founder
National Security Investment Consultant
Institute

Kevin Freeman
Blaze TV Host
Economic War Room

Chad Connelly
President and Founder
Faith Wins*

Rick Green
Founder
Patriot Academy

Bette Grande
CEO
Roughrider Policy Center

Gayle Ruzicka
President
Utah Eagle Forum

**For Identification Purposes Only*