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September 12, 2023

Mr. Mike Brassey
Mr. David Jensen
Commission on Uniform State Laws
c/o Idaho Secretary of State Phil McGrane
P.O. Box 83720
Boise, Idaho 83720-0080

Dear Commissioners,

Thank you for taking the time to meet with me about the 2022 Amendments to the Uniform Commercial Code. As we discussed, the following concerns have been raised about the amendments:

First, the 2022 Amendments treat non-governmental electronic currencies differently than governmental electronic currencies which are referred to as central bank digital currencies. The former are expressly excluded from the 2022 Amendments' definition of "money," making it more difficult for them to gain market acceptance as a medium of exchange. By contrast, the latter are included in the new definition of "money," which lays important groundwork for implementation of a centralized digital currency. The Uniform Law Commission says the 2022 Amendments treat non-governmental electronic currencies—what it deems "controllable electronic records"—beneficially, but it does not explain why the Amendments treat the two forms of digital currencies differently.

Second, by giving central bank digital currency "money" status, the Amendments create an uneven playing field that will make it more likely a future central bank digital currency will occupy the market. The default assumption should be that consumer choice determines the success or failure of electronic currencies, not governmental preference.

Third, the financial privacy of our residents is paramount. There are serious concerns that those privacy interests will remain secure if the federal government adopts a central bank digital currency. The 2022 Amendments needlessly fast-track placing central bank digital currencies on par with traditional currencies and forms of money. It is not difficult to imagine the privacy intrusions that non-physical currencies controlled by a centralized government pose. States should exercise great care before participating in a system that could erode, rather than enhance, their citizens' financial privacy and security.

Based on our meeting, I understand that Idaho's Commission on Uniform State Laws will not be bringing forth any amendments for consideration by the Legislature. I also understand that if someone else proposes these changes your Commission has an amendment to this new language that would address the concerns outlined above. Again, thank you for taking the time to review the above items and the attached information. I will provide this information to the Committee on Federalism at its next meeting, so they know you are also tracking this issue and that we are all working on this together.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Ellsworth".

Julie A. Ellsworth
Idaho State Treasurer



STATE OF SOUTH DAKOTA
OFFICE OF THE GOVERNOR
KRISTI NOEM | GOVERNOR

March 9, 2023

The Honorable Hugh M. Bartels
Speaker of the House
500 East Capitol Avenue
Pierre, South Dakota 57501

Dear Mr. Speaker and Members of the House,

I respectfully return to you House Bill 1193 with my VETO. House Bill 1193 is an Act to amend provisions of the Uniform Commercial Code, known as the UCC.

HB 1193 adopts a definition of "money" to specifically exclude cryptocurrencies like Bitcoin, as well as other digital assets. At the same time, these UCC revisions include Central Bank Digital Currencies ("CBDC's") as money. These developments concern me for several reasons.

First, by expressly excluding cryptocurrencies as money, it would become more difficult to use cryptocurrency. By needlessly limiting this freedom, HB 1193 would put South Dakota citizens at a business disadvantage.

Second, by defining "money" in this proposed way, HB 1193 opens the door to the risk that the federal government could more easily adopt a CBDC, which then may become the only viable digital currency. At this moment in time, such a government-backed electronic currency has not been created. It would be imprudent to create regulations governing something that does not yet exist. More importantly, South Dakota should not open the door to a potential future overreach by the federal government.

The UCC provides uniform model provisions for commercial and banking law. The Uniform Law Commission, which drafts the UCC, suggests changes and modernizations to the Code, which states then adopt as those states see fit. There are some who argue we must rush to adopt these provisions. To the contrary, the UCC's first iteration took twenty years to be adopted by each state. There is no reason South Dakota must adopt the changes made by HB 1193 under this purported deadline. The uniform provisions may adjust as needed after other states experiment with this legislation.

For these reasons, I ask that you sustain my veto of House Bill 1193.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kristi Noem".

Kristi Noem
Governor

cc: The Honorable Monae Johnson, Secretary of State
The Honorable Larry Rhoden, Lieutenant Governor

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Governor Ron DeSantis Signs First-in-the-Nation Legislation to Protect Against Government Surveillance of Personal Finances

On May 12, 2023, in News Releases, by Staff

Senate Bill 7054 Prohibits the Use of a Central Bank Digital Currency in Florida

FORT MYERS, Fla. — Today, Governor Ron DeSantis signed Senate Bill (SB) 7054 and SB 214 to protect the personal finances of Floridians from government overreach and woke corporate monitoring. SB 7054 prohibits the use of a federally adopted central bank digital currency (CBDC) by excluding it from the definition of money within Florida's Uniform Commercial Code. Additionally, the bill prohibits foreign-issued CBDC to protect consumers against globalist efforts to adopt a worldwide digital currency. SB 214 prohibits credit card companies from using firearm-specific Merchant Category Codes and institutes a fine for violations of Florida's consumer protections against gun owner registries. More on today's announcement can be found [here](#).

BIG BROTHER'S DIGITAL DOLLAR

Biden Bureaucrats are working to further weaponize the financial sector through a Central Bank Digital Currency. What is a CBDC? Just another way of increasing surveillance and control of Americans.

Florida's Bill:

- ✓ Prohibits the use of federally sanctioned CBDC as money within Florida's Uniform Commercial Code.
- ✓ Bans CBDCs issued by foreign government reserves and central banks, including China's Digital Yuan.

Governor DeSantis is calling on the Florida-led 20 state coalition against ESG to combat the threat of a centralized global currency by adopting these protections in their states.

CBDC Threatens:

- ✗ Personal Privacy
- ✗ Economic Freedom through Government Sanctioned Surveillance
- ✗ Community Financial Institutions
- ✗ FinTech Innovation
- ✗ Access to Goods and Services by Limiting Purchases

"The government and large credit card companies should not have the power to shut off access to your hard-earned money because they disagree with your politics," said **Governor Ron DeSantis**. "Biden's Central Bank Digital Currency aims to increase government control over people's finances, and we will not allow it. In Florida, we value personal freedom and won't allow self-interested elites to chip away at our liberty."

"The last thing our country needs is a federally controlled Centralized Bank Digital Currency weaponized by the Biden administration," said **Chief Financial Officer Jimmy Patronis**. "It's just another way for Floridians to have their vital financial information surveilled and controlled by the federal government. No one asked for this, and Florida won't let it stand. Every day, your privacy and financial freedoms are under attack, but thankfully we have leaders like Governor DeSantis fighting to Keep Florida Free."

"We are all blessed to live in the Free State of Florida where our Second Amendment rights are valued and protected," said **Commissioner of Agriculture Wilton Simpson**. "Today, Florida is taking another bold step to protect Second Amendment rights by drawing a line in the sand that tells progressive financial institutions they cannot covertly track, monitor, and report data on Floridians' firearm purchases – or else. I thank Governor DeSantis, Senator Burgess, and Representative Snyder for their bold and determined leadership to deliver real protections to Floridians on this emerging threat."

"Our Governor doesn't sit around and wait for a problem to occur," said **Senate President Kathleen Passidomo**. "He is proactive. He anticipates the steps we need to take to protect our state and he takes action. Here in the free state of Florida, we are not going to allow government surveillance and control of people's hard-earned assets or their banking and credit card transactions. Under the leadership of Governor DeSantis, Florida will promote economic freedom and privacy from any potential overreach of the federal government or foreign governments, preserving the role

of private commercial banks.”

“We will protect Floridians from an unprecedented government overreach that would jeopardize privacy rights and increase government control over their freedom to purchase goods and use services,” **said House Speaker Paul Renner**. “Floridians can count on Governor DeSantis and the Florida House to protect their hard-earned money from President Biden’s overlord state and a federally controlled central bank. Americans shouldn’t be discriminated against or tracked on a government database by bureaucrats who don’t agree with how a Florida citizen spends his or her own money.”

In 2022, President Joe Biden issued an executive order to explore the creation of a US CBDC. Unlike a decentralized central currency such as crypto or bitcoin, a central bank digital currency is directly controlled and issued by the government to consumers, providing the government direct access to consumer activity. Additionally, a federally sanctioned CBDC as proposed by the Biden administration would diminish the role of community banks and credit unions in our financial system as CBDC currency would be a direct liability of the federal government, rather than of a chartered financial institution, shrinking market lending power.

SB 7054 expressly prohibits the use of a federally adopted CBDC by excluding it from the definition of money within Florida’s Uniform Commercial Code, the state’s governing laws for commercial transactions. Through this legislation, Florida will remain the standard-bearer among states in supporting a free market approach to innovation in the financial technology space and for protecting against government surveillance of personal finances through a centralized monetary policy.

SB 214 combats efforts by woke credit card giants to monitor the transactions of firearm retailers through unique Merchant Category Codes (MCCs) and imposes fines for violations of Florida’s consumer protections against gun owner registries. MCC codes are retailer-specific codes, and a business that sells firearms and sporting goods would be subject to this new code, regardless of their overall sales. The use of MCCs specific to stores that sell firearms would lead to inflated statistics for firearm sales reported by creditors given that all cumulative sales would be categorized. Three major credit card companies have said that the use of MCCs would allow them to “manage risk” and assist in “combatting gun violence” by tracking consumer behavior, which is an extreme overreach into the private purchases of a consumer.

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