

Very simple explanation

- **Regular money** (cash, bank balance): you can spend it however you want, whenever you want.
- **Programmable money**: the money itself can **decide when, how, or where it can be used** based on pre-set conditions. (uses AI/logrithms)

Easy example

- **Regular money**:
You give someone \$50 → they can spend it on anything.
- **Programmable money**:
You give someone \$50 that is programmed to:
 - only work at grocery stores
 - expire in 7 days
 - or only be spent after a certain date

What makes it different?

1. **Rules are built into the money**
 - Not just enforced by people or banks
 - The money automatically follows instructions
2. **Automatic actions**
 - It can send itself, split payments, or block spending without human intervention
3. **More control**
 - Governments, companies, or individuals can control how funds are used

Where it exists

Programmable money is usually tied to technologies like:

- Ethereum (uses “smart contracts”)
- Potential digital currencies from central banks (often called CBDCs)

Programmable money = money that comes with built-in “if this, then that” rules.

Programmable Money is currently a 300-billion-dollar market and growing rapidly

- **Tether 184 B**
- **Circle 75 B**
- **USD-1 (stablecoin-Don Jr.) 6B**

Uniform Commercial Code

The amendments to the definition of "Money" in sections 28-1-201 and 28-9-102 were introduced to reflect similar amendments in previous model legislation to exclude Central Bank Digital Currencies from transactions covered by the Uniform Commercial Code. "Programmable money" is a broader concept that includes CBDCs as well as other digital means of exchange that can be encoded with software (essentially private analogs of CBDCs).

The exclusion of programmable money from the definition of "money" in Section 28-1-201(24) will likely have little to no effect at the moment, as it covers only state-adopted digital currencies. It would exclude currently issued CBDCs, e.g., the Bahamian "Sand Dollar" and the Chinese e-CNY, as well as Bitcoin - which has been adopted as an official medium of exchange by El Salvador. The change is largely prospective and would cover any future programmable currency adopted by the US, whether a CBDC or some other medium of exchange, such as a private payment stablecoin, made legal tender.

The change to the definition of "deposit account" in Section 28-9-102(29) will also have little effect on the use of digital media of exchange by banks as collateral. Banks have been using a workaround under Article 8 of the UCC, and that workaround would still be available. Additionally, the 2022 UCC model amendments would introduce a new Article 12, which would govern the use of digital media of exchange. The amendment primarily would signal legislative intent and would really only be a temporary provision.

The changes introduced in Section 3 are the most important for the bill. The new Chapter 54 provides consumer protections that ensure use of non-programmable money and use of programmable money in ways that are not discriminatory.

The related Utah bill is Senate Bill 298, sponsored by Senator Keven Stratton and Representative Jason Kyle. It passed the Senate on Feb 27, 2026, the House on March 6, 2026, and was signed by Governor Cox on March 19, 2026.

Please let me know if you have any additional questions.

Best,

David Liechty

Protecting Citizens: Putting Guardrails on Programmable Money

What Is Programmable Money?

Programmable money is a new form of digital money that can be **pre-programmed with rules** that control how it is used.

It can:

- Approve or deny transactions automatically
 - Restrict spending by location, time, or category
 - Track behavior or identity
 - Be tied to scoring systems or conditions
-

Why This Matters

Without safeguards, programmable money could be used to:

- Block lawful purchases
- Restrict access based on personal beliefs or behavior
- Quietly control how people use their own money

This bill ensures that innovation does not come at the cost of **personal freedom and financial independence**.

What the Bill Does

This legislation puts **clear guardrails on programmable money** to protect citizens:

Prevents Forced Use

No one can be required to use programmable money—there must always be a non-programmable option.

Stops Discriminatory Transaction Denials

Transactions cannot be denied based on:

- Political views or speech
- Religion
- Medical history
- Location
- Profession or lawful activity

“This bill is about **putting guardrails on programmable money** before it becomes part of everyday life.

Programmable money can control how, when, and where people spend—and even deny transactions based on personal factors. Without protections, that opens the door to financial control over lawful behavior.

This bill keeps innovation moving, but ensures no one can be forced to use programmable money, and no transaction can be denied based on things like political views, location, or other lawful activity.

It also guarantees transparency—if your payment is blocked, you have a right to know why.

At its core, this is simple: **we’re putting guardrails on programmable money to protect citizens’ freedom to use their own money without interference.”**