

By: Representative Blackwell

To: Banking and Financial Services

HOUSE BILL NO. 557

1 AN ACT TO PROHIBIT GOVERNMENTAL ENTITIES FROM USING A CENTRAL
2 BANK DIGITAL CURRENCY; TO DEFINE THE TERMS "GOVERNMENTAL ENTITY"
3 AND "CENTRAL BANK DIGITAL CURRENCY"; TO AMEND SECTION 75-1-201, TO
4 PROVIDE THAT THE TERM "MONEY" DOES NOT INCLUDE A CENTRAL BANK
5 DIGITAL CURRENCY; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. All governmental entities in the State of
8 Mississippi are prohibited from using a central bank digital
9 currency in receiving payment for services, remitting payment for
10 expenditures, and in carrying out other functions of such
11 governmental entities.

12 For purposes of this act, the term "governmental entity"
13 means any agency, department, institution, instrumentality, or
14 political subdivision of the State of Mississippi, or any agency,
15 department, institution of a political subdivision, or any entity
16 that receives funding from the State of Mississippi.

17 For purposes of this act, the term "central bank digital
18 currency" means a digital currency, a digital medium of exchange,
19 or a digital monetary unit of account issued by the United States

20 Federal Reserve System, a federal agency, a foreign government, a
21 foreign central bank, or a foreign reserve system, that is made
22 directly available to a consumer by such entities. The term
23 includes a digital currency, a digital medium of exchange, or a
24 digital monetary unit of account issued by the United States
25 Federal Reserve System, a federal agency, a foreign government, a
26 foreign central bank, or a foreign reserve system, that is
27 processed or validated directly by such entities.

28 **SECTION 2.** Section 75-1-201, Mississippi Code of 1972, is
29 amended as follows:

30 75-1-201. (a) Unless the context otherwise requires, words
31 or phrases defined in this section, or in the additional
32 definitions contained in other articles of the Uniform Commercial
33 Code contained in other chapters of this title that apply to
34 particular chapters or parts thereof, have the meanings stated.

35 (b) Subject to definitions contained in other articles of
36 the Uniform Commercial Code that apply to particular articles or
37 parts thereof:

38 (1) "Action," in the sense of a judicial proceeding,
39 includes recoupment, counterclaim, setoff, suit in equity, and any
40 other proceeding in which rights are determined.

41 (2) "Aggrieved party" means a party entitled to pursue
42 a remedy.

43 (3) "Agreement," as distinguished from "contract,"
44 means the bargain of the parties in fact, as found in their



45 language or inferred from other circumstances, including course of
46 performance, course of dealing, or usage of trade as provided in
47 Section 75-1-303.

48 (4) "Bank" means a person engaged in the business of
49 banking and includes a savings bank, savings and loan association,
50 credit union, and trust company.

51 (5) "Bearer" means a person in possession of a
52 negotiable instrument, document of title, or certificated security
53 that is payable to bearer or indorsed in blank.

54 (6) "Bill of lading" means a document evidencing the
55 receipt of goods for shipment issued by a person engaged in the
56 business of transporting or forwarding goods.

57 (7) "Branch" includes a separately incorporated foreign
58 branch of a bank.

59 (8) "Burden of establishing a fact" means the burden of
60 persuading the trier of fact that the existence of the fact is
61 more probable than its nonexistence.

62 (9) "Buyer in ordinary course of business" means a
63 person that buys goods in good faith, without knowledge that the
64 sale violates the rights of another person in the goods, and in
65 the ordinary course from a person, other than a pawnbroker, in the
66 business of selling goods of that kind. A person buys goods in
67 the ordinary course if the sale to the person comports with the
68 usual or customary practices in the kind of business in which the
69 seller is engaged or with the seller's own usual or customary



70 practices. A person that sells oil, gas, or other minerals at the
71 wellhead or minehead is a person in the business of selling goods
72 of that kind. A buyer in ordinary course of business may buy for
73 cash, by exchange of other property, or on secured or unsecured
74 credit, and may acquire goods or documents of title under a
75 preexisting contract for sale. Only a buyer that takes possession
76 of the goods or has a right to recover the goods from the seller
77 under Article 2 may be a buyer in ordinary course of business.

78 'Buyer in ordinary course of business' does not include a person
79 that acquires goods in a transfer in bulk or as security for or in
80 total or partial satisfaction of a money debt.

81 (10) "Conspicuous," with reference to a term, means so
82 written, displayed, or presented that a reasonable person against
83 which it is to operate ought to have noticed it. Whether a term
84 is "conspicuous" or not is a decision for the court. Conspicuous
85 terms include the following:

86 (A) A heading in capitals equal to or greater in
87 size than the surrounding text, or in contrasting type, font, or
88 color to the surrounding text of the same or lesser size; and

89 (B) Language in the body of a record or display in
90 larger type than the surrounding text, or in contrasting type,
91 font, or color to the surrounding text of the same size, or set
92 off from surrounding text of the same size by symbols or other
93 marks that call attention to the language.



94 (11) "Consumer" means an individual who enters into a
95 transaction primarily for personal, family, or household purposes.

96 (12) "Contract," as distinguished from "agreement,"
97 means the total legal obligation that results from the parties'
98 agreement as determined by the Uniform Commercial Code as
99 supplemented by any other applicable laws.

100 (13) "Creditor" includes a general creditor, a secured
101 creditor, a lien creditor, and any representative of creditors,
102 including an assignee for the benefit of creditors, a trustee in
103 bankruptcy, a receiver in equity, and an executor or administrator
104 of an insolvent debtor's or assignor's estate.

105 (14) "Defendant" includes a person in the position of
106 defendant in a counterclaim, cross-claim, or third-party claim.

107 (15) "Delivery," with respect to an instrument,
108 document of title, or chattel paper, means voluntary transfer of
109 possession.

110 (16) "Document of title" includes bill of lading, dock
111 warrant, dock receipt, warehouse receipt or order for the delivery
112 of goods, and also any other document which in the regular course
113 of business or financing is treated as adequately evidencing that
114 the person in possession of it is entitled to receive, hold, and
115 dispose of the document and the goods it covers. To be a document
116 of title, a document must purport to be issued by or addressed to
117 a bailee and purport to cover goods in the bailee's possession



118 which are either identified or are fungible portions of an
119 identified mass.

120 (17) "Fault" means a default, breach, or wrongful act
121 or omission.

122 (18) "Fungible goods" means:

123 (A) Goods of which any unit, by nature or usage of
124 trade, is the equivalent of any other like unit; or

125 (B) Goods that by agreement are treated as
126 equivalent.

127 (19) "Genuine" means free of forgery or counterfeiting.

128 (20) "Good faith," except as otherwise provided in
129 Article 5, means honesty in fact and the observance of reasonable
130 commercial standards of fair dealing.

131 (21) "Holder" means:

132 (A) The person in possession of a negotiable
133 instrument that is payable either to bearer or to an identified
134 person that is the person in possession; or

135 (B) The person in possession of a document of
136 title if the goods are deliverable either to bearer or to the
137 order of the person in possession.

138 (22) "Insolvency proceeding" includes an assignment for
139 the benefit of creditors or other proceeding intended to liquidate
140 or rehabilitate the estate of the person involved.

141 (23) "Insolvent" means:

142 (A) Having generally ceased to pay debts in the
143 ordinary course of business other than as a result of bona fide
144 dispute;

145 (B) Being unable to pay debts as they become due;
146 or

147 (C) Being insolvent within the meaning of federal
148 bankruptcy law.

149 (24) "Money" means a medium of exchange currently
150 authorized or adopted by a domestic or foreign government. The
151 term includes a monetary unit of account established by an
152 intergovernmental organization or by agreement between two (2) or
153 more countries. The term "money" does not include a central bank
154 digital currency as defined in Section 1 of this act.

155 (25) "Organization" means a person other than an
156 individual.

157 (26) "Party," as distinguished from "third party,"
158 means a person that has engaged in a transaction or made an
159 agreement subject to the Uniform Commercial Code.

160 (27) "Person" means an individual, corporation,
161 business trust, estate, trust, partnership, limited liability
162 company, association, joint venture, government, governmental
163 subdivision, agency, or instrumentality, public corporation, or
164 any other legal or commercial entity.

165 (28) "Present value" means the amount as of a date
166 certain of one or more sums payable in the future, discounted to



167 the date certain by use of either an interest rate specified by
168 the parties if that rate is not manifestly unreasonable at the
169 time the transaction is entered into or, if an interest rate is
170 not so specified, a commercially reasonable rate that takes into
171 account the facts and circumstances at the time the transaction is
172 entered into.

173 (29) "Purchase" means taking by sale, lease, discount,
174 negotiation, mortgage, pledge, lien, security interest, issue or
175 reissue, gift, or any other voluntary transaction creating an
176 interest in property.

177 (30) "Purchaser" means a person that takes by purchase.

178 (31) "Record" means information that is inscribed on a
179 tangible medium or that is stored in an electronic or other medium
180 and is retrievable in perceivable form.

181 (32) "Remedy" means any remedial right to which an
182 aggrieved party is entitled with or without resort to a tribunal.

183 (33) "Representative" means a person empowered to act
184 for another, including an agent, an officer of a corporation or
185 association, and a trustee, executor, or administrator of an
186 estate.

187 (34) "Right" includes remedy.

188 (35) "Security interest" means an interest in personal
189 property or fixtures which secures payment or performance of an
190 obligation. "Security interest" includes any interest of a
191 consignor and a buyer of accounts, chattel paper, a payment



192 intangible, or a promissory note in a transaction that is subject
193 to Article 9. "Security interest" does not include the special
194 property interest of a buyer of goods on identification of those
195 goods to a contract for sale under Section 75-2-401, but a buyer
196 may also acquire a "security interest" by complying with Article
197 9. Except as otherwise provided in Section 75-2-505, the right of
198 a seller or lessor of goods under Article 2 or 2A to retain or
199 acquire possession of the goods is not a "security interest," but
200 a seller or lessor may also acquire a "security interest" by
201 complying with Article 9. The retention or reservation of title
202 by a seller of goods notwithstanding shipment or delivery to the
203 buyer under Section 75-2-401 is limited in effect to a reservation
204 of a "security interest." Whether a transaction in the form of a
205 lease creates a "security interest" is determined pursuant to
206 Section 75-1-203.

207 (36) "Send" in connection with a writing, record, or
208 notice means:

209 (A) To deposit in the mail or deliver for
210 transmission by any other usual means of communication with
211 postage or cost of transmission provided for and properly
212 addressed and, in the case of an instrument, to an address
213 specified thereon or otherwise agreed, or if there be none to any
214 address reasonable under the circumstances; or



215 (B) In any other way to cause to be received any
216 record or notice within the time it would have arrived if properly
217 sent.

218 (37) "Signed" includes using any symbol executed or
219 adopted with present intention to adopt or accept a writing.

220 (38) "State" means a state of the United States, the
221 District of Columbia, Puerto Rico, the United States Virgin
222 Islands, or any territory or insular possession subject to the
223 jurisdiction of the United States.

224 (39) "Surety" includes a guarantor or other secondary
225 obligor.

226 (40) "Term" means a portion of an agreement that
227 relates to a particular matter.

228 (41) "Unauthorized signature" means a signature made
229 without actual, implied, or apparent authority. The term includes
230 a forgery.

231 (42) "Warehouse receipt" means a receipt issued by a
232 person engaged in the business of storing goods for hire.

233 (43) "Writing" includes printing, typewriting, or any
234 other intentional reduction to tangible form. "Written" has a
235 corresponding meaning.

236 **SECTION 3.** This act shall take effect and be in force from
237 and after July 1, 2025.

