

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



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

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

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

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

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

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

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



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

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

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

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

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

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

(9) "Buyer in ordinary course of business" means a person that buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the 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.



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

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

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

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

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

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



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

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

(18) "Fungible goods" means:

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

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

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

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

(21) "Holder" means:

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

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

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

(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



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

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

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

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

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

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

(34) "Right" includes remedy.

(35) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. "Security interest" includes any interest of a 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



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

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

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

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

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

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

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

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

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

