

Keven J. Stratton proposes the following substitute bill:

Programmable Money Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

House Sponsor: Jason B. Kyle

LONG TITLE

General Description:

This bill modifies the Uniform Commercial Code.

Highlighted Provisions:

This bill:

- defines terms;
- excludes programmable money from the standard definition of money;
- prohibits a person from requiring the use of programmable money for a transaction unless the person also offers a free, non-digital alternative;
- outlaws an issuer denying a transaction based on discriminatory criteria, including a person's political opinions, religious beliefs, medical history, or lawful ownership of a firearm;
- prevents an issuer from using environmental, social, or governance standards and diversity programming compliance as a basis for failing or restricting a transaction;
- requires an issuer to provide a detailed written statement of the specific reason for a denied transaction or terminated service within 30 days of an affected party's request;
- grants an aggrieved party the right to seek punitive damages or the revocation of an issuer's business authorization; and
- does not prohibit the purchase or sale of cryptocurrency or other assets by public or private parties.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

15-8-4, as last amended by Laws of Utah 2014, Chapter 189
32B-14-102, as enacted by Laws of Utah 2010, Chapter 276
46-4-403, as last amended by Laws of Utah 2007, Chapter 272
70A-1a-201, as last amended by Laws of Utah 2024, Chapter 129
70A-3-103, as last amended by Laws of Utah 2007, Chapter 272
70A-4a-105, as last amended by Laws of Utah 2007, Chapter 272
70A-9a-102, as last amended by Laws of Utah 2013, Chapter 225
70C-2-204, as last amended by Laws of Utah 2007, Chapter 272

ENACTS:

70A-9a-901, Utah Code Annotated 1953
70A-9a-902, Utah Code Annotated 1953
70A-9a-903, Utah Code Annotated 1953
70A-9a-904, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 15-8-4 is amended to read:

15-8-4 . Inapplicability of other laws -- Exempted transactions.

(1) Rental purchase agreements that comply with this chapter are not governed by the laws relating to:

(a) a security interest as defined in [~~Subsection 70A-1a-201(2)(ii)] Section 70A-1a-201;~~

or

(b) Title 70C, Utah Consumer Credit Code, except that Sections 70C-7-102 through 70C-7-104 and 70C-2-205 shall apply to lessors as defined in this chapter to the same extent as they apply to creditors under Title 70C, Utah Consumer Credit Code.

(2) The chapter does not apply to the following:

(a) rental purchase agreements primarily for business, commercial, or agricultural purposes, or those made with governmental agencies or instrumentalities or with organizations;

(b) a lease of a safe deposit box;

(c) a lease or bailment of personal property which is incidental to the lease of real property and which provides that the consumer has no option to purchase the leased property; or

(d) a lease of a motor vehicle, as defined in Section 41-1a-102.

Section 2. Section 32B-14-102 is amended to read:

32B-14-102 . Definitions.

As used in this chapter:

- (1) "Affected party" means a supplier or wholesaler who is a party to a distributorship agreement that a terminating party seeks to terminate or not renew.
- (2)(a) "Distributorship agreement" means a written agreement between a supplier and a wholesaler ~~[pursuant to]~~ under which the wholesaler has the right to purchase, resell, and distribute in a designated geographical area any brand of beer manufactured, imported, or distributed by the supplier.
- (b) For purposes of this chapter, a separate agreement between a supplier and a wholesaler is considered to be part of a distributorship agreement if ~~[it]~~ the separate agreement relates to:
 - (i) the relationship between the supplier and the wholesaler; or
 - (ii) the duties of either the supplier or the wholesaler under a distributorship agreement.
- (3) "Good cause" means the material failure by a supplier or a wholesaler to comply with an essential, reasonable, and lawful requirement imposed by a distributorship agreement if the failure occurs after the supplier or wholesaler acting in good faith provides notice of deficiency and an opportunity to correct in accordance with Part 2, Termination.
- (4) "Good faith" ~~[is-as]~~ means the same as that term is defined in [Subsection 70A-1a-201(2)(t)] Section 70A-1a-201.
- (5) "Retailer" means a beer retailer.
- (6) "Sales territory" means the geographic area of distribution and sale responsibility designated by a distributorship agreement.
- (7) "Supplier," notwithstanding Section 32B-1-102, means a brewer or other person who sells beer to a wholesaler for resale in this state.
- (8) "Terminating party" means a supplier or wholesaler who:
 - (a) is a party to a distributorship agreement; and
 - (b) seeks to terminate or not renew the distributorship agreement.

Section 3. Section **46-4-403** is amended to read:

46-4-403 . Transferable records.

- (1) As used in this section, "transferable record" means an electronic record that:
 - (a) would be a note under Title 70A, Chapter 3, Uniform Commercial Code - Negotiable Instruments, or a document under Title 70A, Chapter 7a, Uniform Commercial Code - Documents of Title, if the electronic record were in writing; and

- (b) the issuer of the electronic record expressly has agreed is a transferable record.
- (2) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.
- (3) A system satisfies Subsection (2), and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that:
- (a) a single authoritative copy of the transferable record exists that is unique, identifiable, and, except as otherwise provided in Subsections (3)(d), (e), and (f), unalterable;
 - (b) the authoritative copy identifies the person asserting control as:
 - (i) the person to which the transferable record was issued; or
 - (ii) if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;
 - (c) the authoritative copy is communicated to and maintained by the person asserting control or [its] the person asserting control's designated custodian;
 - (d) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;
 - (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and
 - (f) any revision of the authoritative copy is readily identifiable as authorized or unauthorized.
- (4)(a) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in [~~Subsection 70A-1a-201(2)(u)] Section 70A-1a-201, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under Title 70A, Uniform Commercial Code, including, if the applicable statutory requirements under Subsection 70A-3-302(1), Section 70A-7a-501, or Section 70A-9a-308 are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been [~~duly~~] negotiated, or a purchaser, respectively.~~
- (b) Delivery, possession, and indorsement are not required to obtain or exercise any of the rights under Subsection (4)(a).
- (5) Except as otherwise agreed, an obligor under a transferable record has the same rights

and defenses as an equivalent obligor under equivalent records or writings under Title 70A, Uniform Commercial Code.

(6)(a) If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record.

(b) Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

Section 4. Section **70A-1a-201** is amended to read:

70A-1a-201 . General definitions.

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

(2) Subject to definitions contained in other chapters of this title that apply to particular chapters or parts thereof:

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

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

(c) "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 70A-1a-303.

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

(e) "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.

(f) "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.

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

(h) "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] the fact's nonexistence.

(i)(i) "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 practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of business may buy for cash, by exchange of other property, or on secured or unsecured credit, and may acquire goods or documents of title under a preexisting contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Chapter 2, Uniform Commercial Code - Sales, may be a buyer in ordinary course of business.

(ii) "Buyer in ordinary course of business" does not include a person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(j) "Central bank digital currency" means 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:

(i) made directly available to a consumer by such entities; or

(ii) processed or validated directly by such entities.

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

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

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

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

(m) "Contract," as distinguished from "agreement," means the total legal obligation that results from the parties' agreement as determined by this title as supplemented by any

other applicable laws.

- (n) "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.
- (o) "Defendant" includes a person in the position of defendant in a counterclaim, cross-claim, or third-party claim.
- (p) "Delivery," with respect to an instrument, document of title, or chattel paper, means voluntary transfer of possession.
- (q) "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~~] shall 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.
- (r) "Fault" means a default, breach, or wrongful act or omission.
- (s) "Fungible goods" means:
- (i) goods of which any unit, by nature or usage of trade, is the equivalent of any other like unit; or
 - (ii) goods that by agreement are treated as equivalent.
- (t) "Genuine" means free of forgery or counterfeiting.
- (u) "Good faith" means honesty in fact in the conduct or transaction concerned.
- (v) "Holder" means:
- (i) 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
 - (ii) 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.
- (w) "Insolvency proceeding" includes an assignment for the benefit of creditors or other proceeding intended to liquidate or rehabilitate the estate of the person involved.
- (x) "Insolvent" means:
- (i) having generally ceased to pay debts in the ordinary course of business other than as a result of bona fide dispute;
 - (ii) being unable to pay debts as they become due; or

(iii) being insolvent within the meaning of federal bankruptcy law.

(y)(i) "Money" means a medium of exchange currently authorized or adopted by a domestic or foreign government.

(ii) "Money" includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries.

(iii) "Money" does not include a central bank digital currency or a programmable money.

(z) "Organization" means a person other than an individual.

(aa) "Party," as distinguished from "third party," means a person that has engaged in a transaction or made an agreement subject to this title.

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

(cc) "Present value" means the amount as of a date 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.

(dd)(i) "Programmable money" means currency which:

(A) may be encoded with specific rules and conditions that allow the money or currency to be automatically controlled and used according to predefined parameters;

(B) has capabilities allowing for the denial or approval of specific transactions;

(C) allows for user-specific restrictions on usability, or on location, nature, time, or identity of the transaction or parties to the transaction;

(D) expires or diminishes, other than being subject to ordinary inflation; or

(E) can be used to implement a social credit score system.

(ii) "Programmable money" does not include an electronic payment system which merely transfers non-programmable legal tender.

[({dd})] (ee) "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.

267 ~~[(ee)]~~ (ff) "Purchaser" means a person that takes by purchase.

268 ~~[(ff)]~~ (gg) "Record" means information that is inscribed on a tangible medium or that is
269 stored in an electronic or other medium and is retrievable in perceivable form.

270 ~~[(gg)]~~ (hh) "Remedy" means any remedial right to which an aggrieved party is entitled
271 with or without resort to a tribunal.

272 ~~[(hh)]~~ (ii) "Representative" means a person empowered to act for another, including an
273 agent, an officer of a corporation or association, and a trustee, executor, or
274 administrator of an estate.

275 ~~[(ii)]~~ (jj) "Right" includes remedy.

276 ~~[(jj)]~~ (kk)(i) "Security interest" means an interest in personal property or fixtures
277 which secures payment or performance of an obligation.

278 (ii) "Security interest" includes any interest of a consignor and a buyer of accounts,
279 chattel paper, a payment intangible, or a promissory note in a transaction that is
280 subject to Chapter 9a, Uniform Commercial Code - Secured Transactions.

281 (iii) "Security interest" does not include the special property interest of a buyer of
282 goods on identification of those goods to a contract for sale under Section
283 70A-2-401, but a buyer may also acquire a "security interest" by complying with
284 Chapter 9a, Uniform Commercial Code - Secured Transactions. Except as
285 otherwise provided in Section 70A-2-505, the right of a seller or lessor of goods
286 under Chapter 2, Uniform Commercial Code - Sales, or Chapter 2a, Uniform
287 Commercial Code - Leases, to retain or acquire possession of the goods is not a
288 "security interest," but a seller or lessor may also acquire a "security interest" by
289 complying with Chapter 9a, Uniform Commercial Code - Secured Transactions.

290 (iv) The retention or reservation of title by a seller of goods notwithstanding
291 shipment or delivery to the buyer under Section 70A-2-401 is limited in effect to a
292 reservation of a "security interest."

293 (v) Whether a transaction in the form of a lease creates a "security interest" is
294 determined ~~[pursuant to]~~ in accordance with Section 70A-1a-203.

295 ~~[(kk)]~~ (ll) "Send" in connection with a writing, record, or notice means:

296 (i) to deposit in the mail or deliver for transmission by any other usual means of
297 communication with postage or cost of transmission provided for and properly
298 addressed and, in the case of an instrument, to an address specified thereon or
299 otherwise agreed, or if there be none to any address reasonable under the
300 circumstances; or

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

~~[(H)]~~ ~~(mm)~~ "Signed" includes using any symbol executed or adopted with present intention to adopt or accept a writing.

~~[(mm)]~~ ~~(nn)~~ "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.

~~[(nn)]~~ ~~(oo)~~ "Surety" includes a guarantor or other secondary obligor.

~~[(oo)]~~ ~~(pp)~~ "Term" means a portion of an agreement that relates to a particular matter.

~~[(pp)]~~ ~~(qq)~~ "Unauthorized signature" means a signature made without actual, implied, or apparent authority. The term includes a forgery.

~~[(qq)]~~ ~~(rr)~~ "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

~~[(rr)]~~ ~~(ss)~~ "Writing" includes printing, typewriting, or any other intentional reduction to tangible form.

~~(tt)~~ "Written" ~~[has a corresponding meaning]~~ means, in writing.

Section 5. Section **70A-3-103** is amended to read:

70A-3-103 . Definitions.

(1) ~~[In this chapter]~~ As used in this chapter:

(a) "Acceptor" means a drawee who has accepted a draft.

(b) "Drawee" means a person ordered in a draft to make payment.

(c) "Drawer" means a person who signs or is identified in a draft as a person ordering payment.

(d) "Good faith" means honesty in fact in the conduct or transaction concerned.

(e) "Maker" means a person who signs or is identified in a note as a person undertaking to pay.

(f) "Order" means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative, but not in succession. An authorization to pay is not an order unless the person authorized to pay is also instructed to pay.

(g) "Ordinary care" in the case of a person engaged in business means observance of reasonable commercial standards, prevailing in the area in which the person is located, with respect to the business in which the person is engaged. In the case of a

bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial standards do not require the bank to examine the instrument if the failure to examine does not violate the bank's prescribed procedures and the bank's procedures do not vary unreasonably from general banking usage not disapproved by this chapter or Title 70A, Chapter 4, Uniform Commercial Code - Bank Deposits and Collections.

(h) "Party" means a party to an instrument.

(i) "Promise" means a written undertaking to pay money signed by the person undertaking to pay. An acknowledgment of an obligation by the obligor is not a promise unless the obligor also undertakes to pay the obligation.

(j) "Prove" with respect to a fact means to meet the burden of establishing the fact as defined in [Subsection 70A-1a-201(2)(h)] Section 70A-1a-201.

(k) "Remitter" means a person who purchases an instrument from [its] the instrument's issuer if the instrument is payable to an identified person other than the purchaser.

(2) Other definitions applying to this chapter and the sections in which they appear are:

(a) "Acceptance," Section 70A-3-409.

(b) "Accommodated party," Section 70A-3-419.

(c) "Accommodation party," Section 70A-3-419.

(d) "Alteration," Section 70A-3-407.

(e) "Anomalous indorsement," Section 70A-3-205.

(f) "Blank indorsement," Section 70A-3-205.

(g) "Cashier's check," Section 70A-3-104.

(h) "Certificate of deposit," Section 70A-3-104.

(i) "Certified check," Section 70A-3-409.

(j) "Check," Section 70A-3-104.

(k) "Consideration," Section 70A-3-303.

(l) "Demand draft," Section 70A-3-104.

(m) "Draft," Section 70A-3-104.

(n) "Holder in due course," Section 70A-3-302.

(o) "Incomplete instrument," Section 70A-3-115.

(p) "Indorsement," Section 70A-3-204.

(q) "Indorser," Section 70A-3-204.

(r) "Instrument," Section 70A-3-104.

(s) "Issue," Section 70A-3-105.

- (t) "Issuer," Section 70A-3-105.
- (u) "Negotiable instrument," Section 70A-3-104.
- (v) "Negotiation," Section 70A-3-201.
- (w) "Note," Section 70A-3-104.
- (x) "Payable at a definite time," Section 70A-3-108.
- (y) "Payable on demand," Section 70A-3-108.
- (z) "Payable to bearer," Section 70A-3-109.
- (aa) "Payable to order," Section 70A-3-109.
- (bb) "Payment," Section 70A-3-602.
- (cc) "Person entitled to enforce," Section 70A-3-301.
- (dd) "Presentment," Section 70A-3-501.
- (ee) "Reacquisition," Section 70A-3-207.
- (ff) "Special indorsement," Section 70A-3-205.
- (gg) "Teller's check," Section 70A-3-104.
- (hh) "Transfer of instrument," Section 70A-3-203.
- (ii) "Traveler's check," Section 70A-3-104.
- (jj) "Value," Section 70A-3-303.

(3) The following definitions in other chapters apply to this chapter:

- (a) "Bank," Section 70A-4-105.
- (b) "Banking day," Section 70A-4-104.
- (c) "Clearinghouse," Section 70A-4-104.
- (d) "Collecting bank," Section 70A-4-105.
- (e) "Depository bank," Section 70A-4-105.
- (f) "Documentary draft," Section 70A-4-104.
- (g) "Intermediary bank," Section 70A-4-105.
- (h) "Item," Section 70A-4-104.
- (i) "Payor bank," Section 70A-4-105.
- (j) "Suspends payments," Section 70A-4-104.

(4) In addition, Chapter 1a, Uniform Commercial Code - General Provisions, contains general definitions and principles of construction and interpretation applicable throughout this chapter.

Section 6. Section **70A-4a-105** is amended to read:

70A-4a-105 . Other definitions.

(1) [~~In this chapter~~] As used in this chapter:

- (a) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account.
- (b) "Bank" means a person engaged in the business of banking, and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of this chapter.
- (c) "Customer" means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive payment orders.
- (d) "Funds transfer business day" of a receiving bank means the part of a day during which the receiving bank is open for the receipt, processing, and transmittal of payment orders and cancellations and amendments of payment orders.
- (e) "Funds transfer system" means a wire transfer network, automated clearing house, or other communication system of a clearing house or other association of banks through which a payment order by a bank may be transmitted to the bank to which the order is addressed.
- (f) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- (g) "Prove" with respect to a fact means to meet the burden of establishing the fact under [~~Subsection 70A-1a-201(2)(h)~~ Section 70A-1a-201.

(2) Other definitions applying to this chapter and the sections in which they appear are:

- (a) "Acceptance," Section 70A-4a-209.
- (b) "Beneficiary," Section 70A-4a-103.
- (c) "Beneficiary's bank," Section 70A-4a-103.
- (d) "Executed," Section 70A-4a-301.
- (e) "Execution date," Section 70A-4a-301.
- (f) "Funds transfer system rule," Section 70A-4a-501.
- (g) "Funds transfer," Section 70A-4a-104.
- (h) "Intermediary bank," Section 70A-4a-104.
- (i) "Originator," Section 70A-4a-104.
- (j) "Originator's bank," Section 70A-4a-104.
- (k) "Payment by beneficiary's bank to beneficiary," Section 70A-4a-405.
- (l) "Payment by originator to beneficiary," Section 70A-4a-406.

(m) "Payment by sender, to receiving bank," Section 70A-4a-403.

(n) "Payment date," Section 70A-4a-401.

(o) "Payment order," Section 70A-4a-103.

(p) "Receiving bank," Section 70A-4a-103.

(q) "Security procedure," Section 70A-4a-201.

(r) "Sender," Section 70A-4a-103.

(3) The following definitions in Chapter 4, Uniform Commercial Code - Bank Deposits and Collections, apply to this chapter:

(a) "Clearinghouse," Section 70A-4-104.

(b) "Item," Section 70A-4-104.

(c) "Suspends payments," Section 70A-4-104.

(4) In addition, Chapter 1a, Uniform Commercial Code - General Provisions, contains general definitions and principles of construction and interpretation applicable throughout this chapter.

Section 7. Section **70A-9a-102** is amended to read:

70A-9a-102 . Definitions and index of definitions.

~~[In this chapter]~~ As used in this chapter:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2)(a) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether~~[-or not]~~ earned by performance:

(i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of;

(ii) for services rendered or to be rendered;

(iii) for a policy of insurance issued or to be issued;

(iv) for a secondary obligation incurred or to be incurred;

(v) for energy provided or to be provided;

(vi) for the use or hire of a vessel under a charter or other contract;

(vii) arising out of the use of a credit or charge card or information contained on or for use with the card; or

(viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state.

(b) "Account" includes health-care-insurance receivables.

(c) "Account" does not include:

- (i) rights to payment evidenced by chattel paper or an instrument;
- (ii) commercial tort claims;
- (iii) deposit accounts;
- (iv) investment property;
- (v) letter-of-credit rights or letters of credit; or
- (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3)(a) "Account debtor" means a person obligated on an account, chattel paper, or general intangible.

(b) "Account debtor" does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting," except as used in "accounting for," means a record:

- (a) authenticated by a secured party;
- (b) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and
- (c) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

- (a) which secures payment or performance of an obligation for:
 - (i) goods or services furnished in connection with a debtor's farming operation; or
 - (ii) rent on real property leased by a debtor in connection with [its] a debtor's farming operation;
- (b) which is created by statute in favor of a person that:
 - (i) in the ordinary course of [its] the person's business furnished goods or services to a debtor in connection with a debtor's farming operation; or
 - (ii) leased real property to a debtor in connection with the debtor's farming operation; and
- (c) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

- (a) oil, gas, or other minerals that are subject to a security interest that:
 - (i) is created by a debtor having an interest in the minerals before extraction; and
 - (ii) attaches to the minerals as extracted; or

(b) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(a) to sign; or

(b) with present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process.

(8)(a) "Bank" means an organization that is engaged in the business of banking.

(b) "Bank" includes:

(i) a depository institution as defined in Section 7-1-103; and

(ii) a trust company.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10)(a) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(b) "Certificate of title" includes another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11)(a) "Chattel paper" means a record or records that evidence both:

(i) a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods; and

(ii) a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. [In this Subsection (11), "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods.]

(b) "Chattel paper" does not include:

(i) charters or other contracts involving the use or hire of a vessel; or

(ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained or for use with the card.

(c) If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien.

"Collateral" includes:

(a) proceeds to which a security interest attaches;

(b) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(c) goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(a) the claimant is an organization; or

(b) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract [~~pursuant to~~] in accordance with federal commodities laws; or

(b) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on [its] the person's books.

(17) "Commodity intermediary" means a person that:

(a) is registered as a futures commission merchant under federal commodities law; or

(b) in the ordinary course of [its] the person's business provides clearance or settlement services for a board of trade that has been designated as a contract market [~~pursuant to~~] in accordance with federal commodities law.

(18) "Communicate" means:

(a) to send a written or other tangible record;

(b) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(c) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of [its] the transaction's form, in which a person delivers goods to a merchant for the purpose of sale and:

(a) the merchant:

(i) deals in goods of that kind under a name other than the name of the person making delivery;

(ii) is not an auctioneer; and

(iii) is not generally known by [its] the merchant's creditors to be substantially engaged in selling the goods of others;

(b) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;

(c) the goods are not consumer goods immediately before delivery; and

(d) the transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(a) an individual incurs an obligation primarily for personal, family, or household purposes; and

(b) a security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(26)(a) "Consumer transaction" means a transaction in which:

(i) an individual incurs an obligation primarily for personal, family, or household purposes;

(ii) a security interest secures the obligation; and

(iii) the collateral is held or acquired primarily for personal, family, or household purposes.

(b) "Consumer transaction" includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

(a) identifies, by [its] the amendment's file number, the initial financing statement to which [it] the amendment relates; and

(b) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(a) a person having an interest, other than a security interest or other lien, in the collateral, whether~~[-or not]~~ the person is an obligor;

(b) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(c) a consignee.

(29)(a) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank.

(b) "Deposit account" does not include investment property~~[-or]~~ , accounts evidenced by an instrument, or programmable money.

(30) "Document" means a document of title or a receipt of the type described in [~~Subsection 70A-7a-201(2)~~] Section 70A-7a-201.

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property.

"Encumbrance" includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(a) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(b) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(c) supplies used or produced in a farming operation; or

(d) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement [~~pursuant to~~] in accordance with Subsection 70A-9a-519(1).

(37) "Filing office" means an office designated in Section 70A-9a-501 as the place to file a

641 financing statement.

642 (38) "Filing-office rule" means a rule [~~adopted pursuant to~~] made in accordance with
643 Section 70A-9a-526.

644 (39) "Financing statement" means a record or records composed of an initial financing
645 statement and any filed record relating to the initial financing statement.

646 (40)(a) "Fixture filing" means the filing of a financing statement covering goods that are
647 or are to become fixtures and satisfying Subsections 70A-9a-502(1) and (2).

648 (b) "Fixture filing" includes the filing of a financing statement covering goods of a
649 transmitting utility which are or are to become fixtures.

650 (41) "Fixtures" means goods that have become so related to particular real property that an
651 interest in [~~them~~] the good arises under real property law.

652 (42)(a) "General intangible" means any personal property, including things in action,
653 other than accounts, chattel paper, commercial tort claims, deposit accounts,
654 documents, goods, instruments, investment property, letter-of-credit rights, letters of
655 credit, money, and oil, gas, or other minerals before extraction.

656 (b) "General intangible" includes payment intangibles and software.

657 (43) "Good faith" means honesty in fact and the observance of reasonable commercial
658 standards of fair dealing.

659 (44)(a) "Goods" means all things that are movable when a security interest attaches.

660 (b) "Goods" includes:

661 (i) fixtures;

662 (ii) standing timber that is to be cut and removed under a conveyance or contract for
663 sale;

664 (iii) the unborn young of animals;

665 (iv) crops grown, growing, or to be grown, even if the crops are produced on trees,
666 vines, or bushes; and

667 (v) manufactured homes.

668 (c) "Goods" also includes a computer program embedded in goods and any supporting
669 information provided in connection with a transaction relating to the program if:

670 (i) the program is associated with the goods in such a manner that it customarily is
671 considered part of the goods; or

672 (ii) by becoming the owner of the goods, a person acquires a right to use the program
673 in connection with the goods.

674 (d) "Goods" does not include a computer program embedded in goods that consist solely

of the medium in which the program is embedded.

(e) "Goods" also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45)(a) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country.

(b) "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.

(47)(a) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not ~~itself~~ a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

(b) "Instrument" does not include:

(i) investment property;

(ii) letters of credit; or

(iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, which:

(a) are leased by a person as lessor;

(b) are held by a person for sale or lease or to be furnished under a contract of service;

(c) are furnished by a person under a contract of service; or

(d) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is formed or organized.

(51)(a) "Letter-of-credit right" means a right to payment or performance under a letter of

credit, whether~~[or not]~~ the beneficiary has demanded or is at the time entitled to demand payment or performance.

(b) "Letter-of-credit right" does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(a) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(b) an assignee for benefit of creditors from the time of assignment;

(c) a trustee in bankruptcy from the date of the filing of the petition; or

(d) a receiver in equity from the time of appointment.

(53)(a) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

(b) "Manufactured home" includes any structure that meets all of the requirements of this Subsection (53) except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(a) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(b) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under Subsection 70A-9a-203(4) by a security agreement previously entered into by another person.

(57)(a) "New value" means:

(i) money;

(ii) money's worth in property, services, or new credit; or

(iii) release by a transferee of an interest in property previously transferred to the

- 743 transferee.
- 744 (b) "New value" does not include an obligation substituted for another obligation.
- 745 (58) "Noncash proceeds" means proceeds other than cash proceeds.
- 746 (59)(a) "Obligor" means a person that, with respect to an obligation secured by a
- 747 security interest in or an agricultural lien on the collateral:
- 748 (i) owes payment or other performance of the obligation;
- 749 (ii) has provided property other than the collateral to secure payment or other
- 750 performance of the obligation; or
- 751 (iii) is otherwise accountable in whole or in part for payment or other performance of
- 752 the obligation.
- 753 (b) "Obligor" does not include issuers or nominated persons under a letter of credit.
- 754 (60) "Original debtor," except as used in Subsection 70A-9a-310(3), means a person that, as
- 755 debtor, entered into a security agreement to which a new debtor has become bound
- 756 under Subsection 70A-9a-203(4).
- 757 (61) "Payment intangible" means a general intangible under which the account debtor's
- 758 principal obligation is a monetary obligation.
- 759 (62) "Person related to," with respect to an individual, means:
- 760 (a) the spouse of the individual;
- 761 (b) a brother, brother-in-law, sister, or sister-in-law of the individual;
- 762 (c) an ancestor or lineal descendant of the individual or the individual's spouse; or
- 763 (d) any other relative, by blood or marriage, of the individual or the individual's spouse
- 764 who shares the same home with the individual.
- 765 (63) "Person related to," with respect to an organization, means:
- 766 (a) a person directly or indirectly controlling, controlled by, or under common control
- 767 with the organization;
- 768 (b) an officer or director of, or a person performing similar functions with respect to, the
- 769 organization;
- 770 (c) an officer or director of, or a person performing similar functions with respect to, a
- 771 person described in Subsection (63)(a);
- 772 (d) the spouse of an individual described in Subsection (63)(a), (b), or (c); or
- 773 (e) an individual who is related by blood or marriage to an individual described in
- 774 Subsection (63)(a), (b), (c), or (d) and shares the same home with the individual.
- 775 (64) "Proceeds," except as used in Subsection 70A-9a-609(2), means the following property:
- 776 (a) whatever is acquired upon the sale, lease, license, exchange, or other disposition of

777 collateral;

778 (b) whatever is collected on, or distributed on account of, collateral;

779 (c) rights arising out of collateral;

780 (d) to the extent of the value of collateral, claims arising out of the loss, nonconformity,
781 or interference with the use of, defects or infringement of rights in, or damage to, the
782 collateral; or

783 (e) to the extent of the value of collateral and to the extent payable to the debtor or the
784 secured party, insurance payable by reason of the loss or nonconformity of, defects or
785 infringement of rights in, or damage to, the collateral.

786 (65) "Promissory note" means an instrument that evidences a promise to pay a monetary
787 obligation, does not evidence an order to pay, and does not contain an acknowledgment
788 by a bank that the bank has received for deposit a sum of money or funds.

789 (66) "Proposal" means a record authenticated by a secured party which includes the terms
790 on which the secured party is willing to accept collateral in full or partial satisfaction of
791 the obligation it secures [~~pursuant to~~] in accordance with Sections 70A-9a-620,
792 70A-9a-621, and 70A-9a-622.

793 (67) "Public-finance transaction" means a secured transaction in connection with which:

794 (a) debt securities are issued;

795 (b) all or a portion of the securities issued have an initial stated maturity of at least 20
796 years; and

797 (c) the debtor, obligor, secured party, account debtor or other person obligated on
798 collateral, assignor or assignee of a secured obligation, or assignor or assignee of a
799 security interest is a state or a governmental unit of a state.

800 (68) "Public organic record" means a record that is available to the public for inspection
801 and is:

802 (a) a record consisting of the record initially filed with or issued by a state or the United
803 States to form or organize an organization and any record filed with or issued by the
804 state or the United States which amends or restates the initial record;

805 (b) an organic record of a business trust consisting of the record initially filed with a
806 state and any record filed with the state which amends or restates the initial record, if
807 a statute of the state governing business trusts requires that the record be filed with
808 the state; or

809 (c) a record consisting of legislation enacted by the legislature of a state or the Congress
810 of the United States which forms or organizes an organization, any record amending

the legislation, and any record filed with or issued by the state or the United States which amends or restates the name of the organization.

(69) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means ~~[pursuant to]~~ in accordance with the secured party's obligation, whether~~[-or not]~~ a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from ~~[its]~~ the secured party's obligation.

(70) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(71)(a) "Registered organization" means an organization formed or organized solely under the law of a single state or the United States by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by the state or the United States.

(b) "Registered organization" includes a business trust that is formed or organized under the law of a single state if a statute of the state governing business trusts requires that the business trust's organic record be filed with the state.

(72) "Secondary obligor" means an obligor to the extent that:

(a) the obligor's obligation is secondary; or

(b) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(73) "Secured party" means:

(a) a person in whose favor a security interest is created or provided for under a security agreement, whether~~[-or not]~~ any obligation to be secured is outstanding;

(b) a person that holds an agricultural lien;

(c) a consignor;

(d) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(e) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(f) a person that holds a security interest arising under Section 70A-2-401, 70A-2-505, 70A-4-210, or 70A-5-118 or Subsection 70A-2-711(3) or 70A-2a-508(5).

(74) "Security agreement" means an agreement that creates or provides for a security interest.

- (75) "Send," in connection with a record or notification, means:
- (a) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or
 - (b) to cause the record or notification to be received within the time that it would have been received if properly sent under Subsection (75)(a).
- (76)(a) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program.
- (b) "Software" does not include a computer program that is included in the definition of goods.
- (77) "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.
- (78) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.
- (79) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.
- (80) "Termination statement" means an amendment of a financing statement which:
- (a) identifies, by [its] the amendment's file number, the initial financing statement to which [it] the amendment relates; and
 - (b) indicates either that it is a termination statement or that the identified financing statement is no longer effective.
- (81) "Transmitting utility" means a person primarily engaged in the business of:
- (a) operating a railroad, subway, street railway, or trolley bus;
 - (b) transmitting communications electrically, electromagnetically, or by light;
 - (c) transmitting goods by pipeline or sewer; or
 - (d) transmitting or producing and transmitting electricity, steam, gas, or water.

Section 8. Section **70A-9a-901** is enacted to read:

70A-9a-901 . Coercion unlawful.

No person may require the use of programmable money for a transaction without accepting or offering a non-digital alternative free of charge.

Section 9. Section **70A-9a-902** is enacted to read:

70A-9a-902 . Abuse of programmability unlawful.

- (1) An issuer of programmable money may not deny a transaction on the basis of:
- (a) a person's political opinions, speech, or affiliations;
 - (b) a person's religious beliefs, religious exercise, or religious affiliations;
 - (c) a person's sex, skin color, ethnicity, or sexual orientation;
 - (d) a person's medical history, including vaccination status or participation or non-participation in any treatments, procedures, or diagnoses;
 - (e) a person's location, purchase, or browsing history;
 - (f) a person's place of residence or current location;
 - (g) any factor related to the person's business sector; or
 - (h) the use of a rating, scoring, analysis, tabulation, or action that considers a social credit score based on:
 - (i) any factors listed in Subsections (1)(a) through (1)(g);
 - (ii) the person's lawful ownership of a firearm;
 - (iii) the person's engagement in the lawful manufacture, distribution, sale, purchase, or use of firearms, firearms accessories, or ammunition;
 - (iv) the person's engagement in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture;
 - (v) the person's support of the state or federal government in combating illegal immigration, drug trafficking, or human trafficking;
 - (vi) the person's engagement with, facilitation of, employment by, support of, business or other relationship with, representation of, or advocacy for a person described in Subsection (1);
 - (vii) the person's failure to meet or commit to meet, or expected failure to meet, any of the following as long as such person is in compliance with applicable state or federal law:
 - (A) environmental standards, including emissions standards, benchmarks, requirements, or disclosures;
 - (B) social governance standards, benchmarks, or requirements, including environmental or social justice; or
 - (C) corporate board or company employment composition standards, benchmarks, requirements, or disclosures based on characteristics protected under Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.;
 - (viii) policies or procedures requiring or encouraging employee participation in social

- 913 justice programming, including diversity, equity, or inclusion training; or
914 (ix) any other lawful acts or behavior.
- 915 (2)(a) It is unlawful for an issuer of programmable money to cause or allow for the
916 denial or failure of transactions based on the criteria listed in Subsection (1), whether
917 through direct action, automation, or programming.
- 918 (b) For purposes of this Subsection (2), "allowing for the denial or failure" includes an
919 act or omission by the issuer relating to the programmable money issued by the
920 issuer, including automatic actions caused by computer code, algorithms, or artificial
921 intelligence used by, on behalf of, or in support of the issuer, the issuer's product, and
922 the issuer's affiliates.
- 923 (3)(a) If an issuer of programmable money denies a transaction, either party to the
924 denied transaction may request a statement of specific reasons for the denial within
925 90 days of the denial.
- 926 (b) The affected party may request the statement from a customer service representative
927 or designated account representative by phone, mail, or electronic mail.
- 928 (c) Unless otherwise prohibited by federal law, the issuer shall transmit the statement of
929 specific reasons by mail and electronic mail, if known to the issuer, within 30 days of
930 receiving the affected party's request.
- 931 (d) The statement of specific reasons shall include:
- 932 (i) a detailed explanation of the denial, restriction, or termination of service,
933 including a description of the basis of the programmable money issuer's denial,
934 restriction, or termination of service;
- 935 (ii) a copy of the terms of service agreed to by the person and the issuer;
- 936 (iii) a citation to the specific provisions of the terms of service upon which the issuer
937 relied to refuse to provide, restrict, or terminate service; and
- 938 (iv) a phone number, email address, and physical address, where the requesting party
939 can receive further information, if needed.
- 940 (4) Each denial or failed transaction not justified by Subsection (5) constitutes a separate
941 offense.
- 942 (5) This section does not prohibit an issuer of programmable money from declining a
943 transaction that constitutes a criminal offense or payment for a criminal act.
- 944 Section 10. Section **70A-9a-903** is enacted to read:
- 945 **70A-9a-903 . Remedies.**
- 946 (1) A party aggrieved by a violation of Section 70A-9a-901 or 70A-9a-902 may bring suit

for statutory and declaratory relief, as well as actual and punitive damages against the violating party.

(2) A prevailing plaintiff is entitled to reasonable attorney fees.

(3) Punitive damages shall amount to the higher of either three times the actual damages or three times the amount of the awarded attorney fees.

(4) If the court finds that the defendant intentionally, knowingly, or repeatedly violated Section 70A-9a-901 or 70A-9a-902, the court may order the defendant's authorization to conduct business in this state to be revoked.

(5) A suit can be brought in a court with jurisdiction in the plaintiff's county of residence, the county where the violation occurred, or the county where the defendant is domiciled.

Section 11. Section **70A-9a-904** is enacted to read:

70A-9a-904 . Asset sale or purchase not prohibited.

Section 70A-1a-901 does not prohibit the purchase or sale of cryptocurrency or any other asset, by a public or private party.

Section 12. Section **70C-2-204** is amended to read:

70C-2-204 . Certain negotiable instruments prohibited.

(1) With respect to a consumer credit sale not involving real property, the seller may not take a negotiable instrument under Section 70A-3-104 other than a check as evidence of the obligation of the buyer.

(2) A holder is not in good faith under [~~Subsection 70A-1a-201(2)(t)] Section 70A-1a-201 if [he] the holder takes a negotiable instrument with notice that [it] the negotiable instrument is issued in violation of this section.~~

(3) A holder in due course under Section 70A-3-302 is not subject to the liabilities set forth in the provisions on the effect of violations on rights of parties under Section 70C-7-201.

Section 13. **Effective Date.**

This bill takes effect on May 5, 2027.