

Keven J. Stratton proposes the following substitute bill:

Programmable Money Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

House Sponsor:

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:

29 **15-8-4**, as last amended by Laws of Utah 2014, Chapter 189
 30 **32B-14-102**, as enacted by Laws of Utah 2010, Chapter 276
 31 **46-4-403**, as last amended by Laws of Utah 2007, Chapter 272
 32 **70A-1a-201**, as last amended by Laws of Utah 2024, Chapter 129
 33 **70A-3-103**, as last amended by Laws of Utah 2007, Chapter 272
 34 **70A-4a-105**, as last amended by Laws of Utah 2007, Chapter 272
 35 **70A-9a-102**, as last amended by Laws of Utah 2013, Chapter 225
 36 **70C-2-204**, as last amended by Laws of Utah 2007, Chapter 272

37 ENACTS:

38 **70A-9a-901**, Utah Code Annotated 1953
 39 **70A-9a-902**, Utah Code Annotated 1953
 40 **70A-9a-903**, Utah Code Annotated 1953
 41 **70A-9a-904**, Utah Code Annotated 1953

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

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

45 **15-8-4 . Inapplicability of other laws -- Exempted transactions.**

- 46 (1) Rental purchase agreements that comply with this chapter are not governed by the laws
 47 relating to:
- 48 (a) a security interest as defined in [~~Subsection 70A-1a-201(2)(ii)] Section 70A-1a-201;
 49 or~~
- 50 (b) Title 70C, Utah Consumer Credit Code, except that Sections 70C-7-102 through
 51 70C-7-104 and 70C-2-205 shall apply to lessors as defined in this chapter to the same
 52 extent as they apply to creditors under Title 70C, Utah Consumer Credit Code.
- 53 (2) The chapter does not apply to the following:
- 54 (a) rental purchase agreements primarily for business, commercial, or agricultural
 55 purposes, or those made with governmental agencies or instrumentalities or with
 56 organizations;
- 57 (b) a lease of a safe deposit box;
- 58 (c) a lease or bailment of personal property which is incidental to the lease of real
 59 property and which provides that the consumer has no option to purchase the leased
 60 property; or
- 61 (d) a lease of a motor vehicle, as defined in Section 41-1a-102.

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

63 **32B-14-102 . Definitions.**

64 As used in this chapter:

- 65 (1) "Affected party" means a supplier or wholesaler who is a party to a distributorship
66 agreement that a terminating party seeks to terminate or not renew.
- 67 (2)(a) "Distributorship agreement" means a written agreement between a supplier and a
68 wholesaler [~~pursuant to~~] under which the wholesaler has the right to purchase, resell,
69 and distribute in a designated geographical area any brand of beer manufactured,
70 imported, or distributed by the supplier.
- 71 (b) For purposes of this chapter, a separate agreement between a supplier and a
72 wholesaler is considered to be part of a distributorship agreement if [it] the separate
73 agreement relates to:
- 74 (i) the relationship between the supplier and the wholesaler; or
75 (ii) the duties of either the supplier or the wholesaler under a distributorship
76 agreement.
- 77 (3) "Good cause" means the material failure by a supplier or a wholesaler to comply with an
78 essential, reasonable, and lawful requirement imposed by a distributorship agreement if
79 the failure occurs after the supplier or wholesaler acting in good faith provides notice of
80 deficiency and an opportunity to correct in accordance with Part 2, Termination.
- 81 (4) "Good faith" [~~is as~~] means the same as that term is defined in [~~Subsection~~
82 ~~70A-1a-201(2)(t)]~~ Section 70A-1a-201.
- 83 (5) "Retailer" means a beer retailer.
- 84 (6) "Sales territory" means the geographic area of distribution and sale responsibility
85 designated by a distributorship agreement.
- 86 (7) "Supplier," notwithstanding Section 32B-1-102, means a brewer or other person who
87 sells beer to a wholesaler for resale in this state.
- 88 (8) "Terminating party" means a supplier or wholesaler who:
- 89 (a) is a party to a distributorship agreement; and
90 (b) seeks to terminate or not renew the distributorship agreement.

91 Section 3. Section **46-4-403** is amended to read:92 **46-4-403 . Transferable records.**

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

- 97 (b) the issuer of the electronic record expressly has agreed is a transferable record.
- 98 (2) A person has control of a transferable record if a system employed for evidencing the
99 transfer of interests in the transferable record reliably establishes that person as the
100 person to which the transferable record was issued or transferred.
- 101 (3) A system satisfies Subsection (2), and a person is deemed to have control of a
102 transferable record, if the transferable record is created, stored, and assigned in such a
103 manner that:
- 104 (a) a single authoritative copy of the transferable record exists that is unique,
105 identifiable, and, except as otherwise provided in Subsections (3)(d), (e), and (f),
106 unalterable;
- 107 (b) the authoritative copy identifies the person asserting control as:
- 108 (i) the person to which the transferable record was issued; or
109 (ii) if the authoritative copy indicates that the transferable record has been
110 transferred, the person to which the transferable record was most recently
111 transferred;
- 112 (c) the authoritative copy is communicated to and maintained by the person asserting
113 control or [its] the person asserting control's designated custodian;
- 114 (d) copies or revisions that add or change an identified assignee of the authoritative copy
115 can be made only with the consent of the person asserting control;
- 116 (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a
117 copy that is not the authoritative copy; and
- 118 (f) any revision of the authoritative copy is readily identifiable as authorized or
119 unauthorized.
- 120 (4)(a) Except as otherwise agreed, a person having control of a transferable record is the
121 holder, as defined in [~~Subsection 70A-1a-201(2)(u)~~] Section 70A-1a-201, of the
122 transferable record and has the same rights and defenses as a holder of an equivalent
123 record or writing under Title 70A, Uniform Commercial Code, including, if the
124 applicable statutory requirements under Subsection 70A-3-302(1), Section
125 70A-7a-501, or Section 70A-9a-308 are satisfied, the rights and defenses of a holder
126 in due course, a holder to which a negotiable document of title has been [~~duly~~]
127 negotiated, or a purchaser, respectively.
- 128 (b) Delivery, possession, and indorsement are not required to obtain or exercise any of
129 the rights under Subsection (4)(a).
- 130 (5) Except as otherwise agreed, an obligor under a transferable record has the same rights

131 and defenses as an equivalent obligor under equivalent records or writings under Title
132 70A, Uniform Commercial Code.

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

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

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

140 **70A-1a-201 . General definitions.**

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

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

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

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

149 (c) "Agreement," as distinguished from "contract," means the bargain of the parties in
150 fact, as found in their language or inferred from other circumstances, including
151 course of performance, course of dealing, or usage of trade as provided in Section
152 70A-1a-303.

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

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

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

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

160 (h) "Burden of establishing" a fact means the burden of persuading the trier of fact that
161 the existence of the fact is more probable than [its] the fact's nonexistence.

162 (i)(i) "Buyer in ordinary course of business" means a person that buys goods in good
163 faith, without knowledge that the sale violates the rights of another person in the
164 goods, and in the ordinary course from a person, other than a pawnbroker, in the

- 165 business of selling goods of that kind. A person buys goods in the ordinary course
166 if the sale to the person comports with the usual or customary practices in the kind
167 of business in which the seller is engaged or with the seller's own usual or
168 customary practices. A person that sells oil, gas, or other minerals at the wellhead
169 or minehead is a person in the business of selling goods of that kind. A buyer in
170 ordinary course of business may buy for cash, by exchange of other property, or
171 on secured or unsecured credit, and may acquire goods or documents of title under
172 a preexisting contract for sale. Only a buyer that takes possession of the goods or
173 has a right to recover the goods from the seller under Chapter 2, Uniform
174 Commercial Code - Sales, may be a buyer in ordinary course of business.
- 175 (ii) "Buyer in ordinary course of business" does not include a person that acquires
176 goods in a transfer in bulk or as security for or in total or partial satisfaction of a
177 money debt.
- 178 (j) "Central bank digital currency" means a digital currency, a digital medium of
179 exchange, or a digital monetary unit of account issued by the United States Federal
180 Reserve System, a federal agency, a foreign government, a foreign central bank, or a
181 foreign reserve system, that is:
- 182 (i) made directly available to a consumer by such entities; or
183 (ii) processed or validated directly by such entities.
- 184 (k) "Conspicuous," with reference to a term, means so written, displayed, or presented
185 that a reasonable person against which it is to operate ought to have noticed it.
186 Whether a term is conspicuous or not is a decision for the court. Conspicuous terms
187 include the following:
- 188 (i) a heading in capitals equal to or greater in size than the surrounding text, or in
189 contrasting type, font, or color to the surrounding text of the same or lesser size;
190 and
- 191 (ii) language in the body of a record or display in larger type than the surrounding
192 text, or in contrasting type, font, or color to the surrounding text of the same size,
193 or set off from surrounding text of the same size by symbols or other marks that
194 call attention to the language.
- 195 (l) "Consumer" means an individual who enters into a transaction primarily for personal,
196 family, or household purposes.
- 197 (m) "Contract," as distinguished from "agreement," means the total legal obligation that
198 results from the parties' agreement as determined by this title as supplemented by any

- 199 other applicable laws.
- 200 (n) "Creditor" includes a general creditor, a secured creditor, a lien creditor, and any
201 representative of creditors, including an assignee for the benefit of creditors, a trustee
202 in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent
203 debtor's or assignor's estate.
- 204 (o) "Defendant" includes a person in the position of defendant in a counterclaim,
205 cross-claim, or third-party claim.
- 206 (p) "Delivery," with respect to an instrument, document of title, or chattel paper, means
207 voluntary transfer of possession.
- 208 (q) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse
209 receipt or order for the delivery of goods, and also any other document which in the
210 regular course of business or financing is treated as adequately evidencing that the
211 person in possession of it is entitled to receive, hold, and dispose of the document and
212 the goods it covers. To be a document of title, a document [~~must~~] shall purport to be
213 issued by or addressed to a bailee and purport to cover goods in the bailee's
214 possession which are either identified or are fungible portions of an identified mass.
- 215 (r) "Fault" means a default, breach, or wrongful act or omission.
- 216 (s) "Fungible goods" means:
- 217 (i) goods of which any unit, by nature or usage of trade, is the equivalent of any other
218 like unit; or
- 219 (ii) goods that by agreement are treated as equivalent.
- 220 (t) "Genuine" means free of forgery or counterfeiting.
- 221 (u) "Good faith" means honesty in fact in the conduct or transaction concerned.
- 222 (v) "Holder" means:
- 223 (i) the person in possession of a negotiable instrument that is payable either to bearer
224 or to an identified person that is the person in possession; or
- 225 (ii) the person in possession of a document of title if the goods are deliverable either
226 to bearer or to the order of the person in possession.
- 227 (w) "Insolvency proceeding" includes an assignment for the benefit of creditors or other
228 proceeding intended to liquidate or rehabilitate the estate of the person involved.
- 229 (x) "Insolvent" means:
- 230 (i) having generally ceased to pay debts in the ordinary course of business other than
231 as a result of bona fide dispute;
- 232 (ii) being unable to pay debts as they become due; or

- 233 (iii) being insolvent within the meaning of federal bankruptcy law.
- 234 (y)(i) "Money" means a medium of exchange currently authorized or adopted by a
235 domestic or foreign government.
- 236 (ii) "Money" includes a monetary unit of account established by an
237 intergovernmental organization or by agreement between two or more countries.
- 238 (iii) "Money" does not include a central bank digital currency or a programmable
239 money.
- 240 (z) "Organization" means a person other than an individual.
- 241 (aa) "Party," as distinguished from "third party," means a person that has engaged in a
242 transaction or made an agreement subject to this title.
- 243 (bb) "Person" means an individual, corporation, business trust, estate, trust, partnership,
244 limited liability company, association, joint venture, government, governmental
245 subdivision, agency, instrumentality, public corporation, or any other legal or
246 commercial entity.
- 247 (cc) "Present value" means the amount as of a date certain of one or more sums payable
248 in the future, discounted to the date certain by use of either an interest rate specified
249 by the parties if that rate is not manifestly unreasonable at the time the transaction is
250 entered into or, if an interest rate is not so specified, a commercially reasonable rate
251 that takes into account the facts and circumstances at the time the transaction is
252 entered into.
- 253 (dd)(i) "Programmable money" means currency which:
- 254 (A) may be encoded with specific rules and conditions that allow the money or
255 currency to be automatically controlled and used according to predefined
256 parameters;
- 257 (B) has capabilities allowing for the denial or approval of specific transactions;
- 258 (C) allows for user-specific restrictions on usability, or on location, nature, time,
259 or identity of the transaction or parties to the transaction;
- 260 (D) expires or diminishes, other than being subject to ordinary inflation; or
261 (E) can be used to implement a social credit score system.
- 262 (ii) "Programmable money" does not include an electronic payment system which
263 merely transfers non-programmable legal tender.
- 264 [~~dd~~] (ee) "Purchase" means taking by sale, lease, discount, negotiation, mortgage,
265 pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction
266 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

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

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

305 ~~[(mm)]~~ (nn) "State" means a state of the United States, the District of Columbia, Puerto
306 Rico, the United States Virgin Islands, or any territory or insular possession subject
307 to the jurisdiction of the United States.

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

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

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

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

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

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

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

318 **70A-3-103 . Definitions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 369 (t) "Issuer," Section 70A-3-105.
370 (u) "Negotiable instrument," Section 70A-3-104.
371 (v) "Negotiation," Section 70A-3-201.
372 (w) "Note," Section 70A-3-104.
373 (x) "Payable at a definite time," Section 70A-3-108.
374 (y) "Payable on demand," Section 70A-3-108.
375 (z) "Payable to bearer," Section 70A-3-109.
376 (aa) "Payable to order," Section 70A-3-109.
377 (bb) "Payment," Section 70A-3-602.
378 (cc) "Person entitled to enforce," Section 70A-3-301.
379 (dd) "Presentment," Section 70A-3-501.
380 (ee) "Reacquisition," Section 70A-3-207.
381 (ff) "Special indorsement," Section 70A-3-205.
382 (gg) "Teller's check," Section 70A-3-104.
383 (hh) "Transfer of instrument," Section 70A-3-203.
384 (ii) "Traveler's check," Section 70A-3-104.
385 (jj) "Value," Section 70A-3-303.
386 (3) The following definitions in other chapters apply to this chapter:

- 387 (a) "Bank," Section 70A-4-105.
388 (b) "Banking day," Section 70A-4-104.
389 (c) "Clearinghouse," Section 70A-4-104.
390 (d) "Collecting bank," Section 70A-4-105.
391 (e) "Depository bank," Section 70A-4-105.
392 (f) "Documentary draft," Section 70A-4-104.
393 (g) "Intermediary bank," Section 70A-4-105.
394 (h) "Item," Section 70A-4-104.
395 (i) "Payor bank," Section 70A-4-105.
396 (j) "Suspends payments," Section 70A-4-104.

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

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

401 **70A-4a-105 . Other definitions.**

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

- 403 (a) "Authorized account" means a deposit account of a customer in a bank designated by
404 the customer as a source of payment orders issued by the customer to the bank. If a
405 customer does not so designate an account, any account of the customer is an
406 authorized account if payment of a payment order from that account is not
407 inconsistent with a restriction on the use of that account.
- 408 (b) "Bank" means a person engaged in the business of banking, and includes a savings
409 bank, savings and loan association, credit union, and trust company. A branch or
410 separate office of a bank is a separate bank for purposes of this chapter.
- 411 (c) "Customer" means a person, including a bank, having an account with a bank or from
412 whom a bank has agreed to receive payment orders.
- 413 (d) "Funds transfer business day" of a receiving bank means the part of a day during
414 which the receiving bank is open for the receipt, processing, and transmittal of
415 payment orders and cancellations and amendments of payment orders.
- 416 (e) "Funds transfer system" means a wire transfer network, automated clearing house, or
417 other communication system of a clearing house or other association of banks
418 through which a payment order by a bank may be transmitted to the bank to which
419 the order is addressed.
- 420 (f) "Good faith" means honesty in fact and the observance of reasonable commercial
421 standards of fair dealing.
- 422 (g) "Prove" with respect to a fact means to meet the burden of establishing the fact under [
423 ~~Subsection 70A-1a-201(2)(h)~~] Section 70A-1a-201.
- 424 (2) Other definitions applying to this chapter and the sections in which they appear are:
- 425 (a) "Acceptance," Section 70A-4a-209.
- 426 (b) "Beneficiary," Section 70A-4a-103.
- 427 (c) "Beneficiary's bank," Section 70A-4a-103.
- 428 (d) "Executed," Section 70A-4a-301.
- 429 (e) "Execution date," Section 70A-4a-301.
- 430 (f) "Funds transfer system rule," Section 70A-4a-501.
- 431 (g) "Funds transfer," Section 70A-4a-104.
- 432 (h) "Intermediary bank," Section 70A-4a-104.
- 433 (i) "Originator," Section 70A-4a-104.
- 434 (j) "Originator's bank," Section 70A-4a-104.
- 435 (k) "Payment by beneficiary's bank to beneficiary," Section 70A-4a-405.
- 436 (l) "Payment by originator to beneficiary," Section 70A-4a-406.

- 437 (m) "Payment by sender, to receiving bank," Section 70A-4a-403.
- 438 (n) "Payment date," Section 70A-4a-401.
- 439 (o) "Payment order," Section 70A-4a-103.
- 440 (p) "Receiving bank," Section 70A-4a-103.
- 441 (q) "Security procedure," Section 70A-4a-201.
- 442 (r) "Sender," Section 70A-4a-103.
- 443 (3) The following definitions in Chapter 4, Uniform Commercial Code - Bank Deposits and
444 Collections, apply to this chapter:
- 445 (a) "Clearinghouse," Section 70A-4-104.
- 446 (b) "Item," Section 70A-4-104.
- 447 (c) "Suspends payments," Section 70A-4-104.
- 448 (4) In addition, Chapter 1a, Uniform Commercial Code - General Provisions, contains
449 general definitions and principles of construction and interpretation applicable
450 throughout this chapter.
- 451 Section 7. Section **70A-9a-102** is amended to read:
- 452 **70A-9a-102 . Definitions and index of definitions.**
- 453 [In this chapter] As used in this chapter:
- 454 (1) "Accession" means goods that are physically united with other goods in such a manner
455 that the identity of the original goods is not lost.
- 456 (2)(a) "Account," except as used in "account for," means a right to payment of a
457 monetary obligation, whether~~[-or not]~~ earned by performance:
- 458 (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise
459 disposed of;
- 460 (ii) for services rendered or to be rendered;
- 461 (iii) for a policy of insurance issued or to be issued;
- 462 (iv) for a secondary obligation incurred or to be incurred;
- 463 (v) for energy provided or to be provided;
- 464 (vi) for the use or hire of a vessel under a charter or other contract;
- 465 (vii) arising out of the use of a credit or charge card or information contained on or
466 for use with the card; or
- 467 (viii) as winnings in a lottery or other game of chance operated or sponsored by a
468 state, governmental unit of a state, or person licensed or authorized to operate the
469 game by a state or governmental unit of a state.
- 470 (b) "Account" includes health-care-insurance receivables.

- 471 (c) "Account" does not include:
- 472 (i) rights to payment evidenced by chattel paper or an instrument;
- 473 (ii) commercial tort claims;
- 474 (iii) deposit accounts;
- 475 (iv) investment property;
- 476 (v) letter-of-credit rights or letters of credit; or
- 477 (vi) rights to payment for money or funds advanced or sold, other than rights arising
- 478 out of the use of a credit or charge card or information contained on or for use
- 479 with the card.
- 480 (3)(a) "Account debtor" means a person obligated on an account, chattel paper, or
- 481 general intangible.
- 482 (b) "Account debtor" does not include persons obligated to pay a negotiable instrument,
- 483 even if the instrument constitutes part of chattel paper.
- 484 (4) "Accounting," except as used in "accounting for," means a record:
- 485 (a) authenticated by a secured party;
- 486 (b) indicating the aggregate unpaid secured obligations as of a date not more than 35
- 487 days earlier or 35 days later than the date of the record; and
- 488 (c) identifying the components of the obligations in reasonable detail.
- 489 (5) "Agricultural lien" means an interest, other than a security interest, in farm products:
- 490 (a) which secures payment or performance of an obligation for:
- 491 (i) goods or services furnished in connection with a debtor's farming operation; or
- 492 (ii) rent on real property leased by a debtor in connection with ~~[its]~~ a debtor's farming
- 493 operation;
- 494 (b) which is created by statute in favor of a person that:
- 495 (i) in the ordinary course of ~~[its]~~ the person's business furnished goods or services to a
- 496 debtor in connection with a debtor's farming operation; or
- 497 (ii) leased real property to a debtor in connection with the debtor's farming operation;
- 498 and
- 499 (c) whose effectiveness does not depend on the person's possession of the personal
- 500 property.
- 501 (6) "As-extracted collateral" means:
- 502 (a) oil, gas, or other minerals that are subject to a security interest that:
- 503 (i) is created by a debtor having an interest in the minerals before extraction; and
- 504 (ii) attaches to the minerals as extracted; or

- 505 (b) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other
506 minerals in which the debtor had an interest before extraction.
- 507 (7) "Authenticate" means:
- 508 (a) to sign; or
- 509 (b) with present intent to adopt or accept a record, to attach to or logically associate with
510 the record an electronic sound, symbol, or process.
- 511 (8)(a) "Bank" means an organization that is engaged in the business of banking.
- 512 (b) "Bank" includes:
- 513 (i) a depository institution as defined in Section 7-1-103; and
- 514 (ii) a trust company.
- 515 (9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.
- 516 (10)(a) "Certificate of title" means a certificate of title with respect to which a statute
517 provides for the security interest in question to be indicated on the certificate as a
518 condition or result of the security interest's obtaining priority over the rights of a lien
519 creditor with respect to the collateral.
- 520 (b) "Certificate of title" includes another record maintained as an alternative to a
521 certificate of title by the governmental unit that issues certificates of title if a statute
522 permits the security interest in question to be indicated on the record as a condition or
523 result of the security interest's obtaining priority over the rights of a lien creditor with
524 respect to the collateral.
- 525 (11)(a) "Chattel paper" means a record or records that evidence both:
- 526 (i) a monetary obligation secured by the goods or owed under a lease of the goods
527 and includes a monetary obligation with respect to software used in the goods; and
- 528 (ii) a security interest in specific goods, a security interest in specific goods and
529 software used in the goods, a security interest in specific goods and license of
530 software used in the goods, a lease of specific goods, or a lease of specific goods
531 and license of software used in the goods. ~~[In this Subsection (11), "monetary~~
532 ~~obligation" means a monetary obligation secured by the goods or owed under a~~
533 ~~lease of the goods and includes a monetary obligation with respect to software~~
534 ~~used in the goods.]~~
- 535 (b) "Chattel paper" does not include:
- 536 (i) charters or other contracts involving the use or hire of a vessel; or
- 537 (ii) records that evidence a right to payment arising out of the use of a credit or
538 charge card or information contained or for use with the card.

- 539 (c) If a transaction is evidenced by records that include an instrument or series of
540 instruments, the group of records taken together constitutes chattel paper.
- 541 (12) "Collateral" means the property subject to a security interest or agricultural lien.
542 "Collateral" includes:
543 (a) proceeds to which a security interest attaches;
544 (b) accounts, chattel paper, payment intangibles, and promissory notes that have been
545 sold; and
546 (c) goods that are the subject of a consignment.
- 547 (13) "Commercial tort claim" means a claim arising in tort with respect to which:
548 (a) the claimant is an organization; or
549 (b) the claimant is an individual and the claim:
550 (i) arose in the course of the claimant's business or profession; and
551 (ii) does not include damages arising out of personal injury to or the death of an
552 individual.
- 553 (14) "Commodity account" means an account maintained by a commodity intermediary in
554 which a commodity contract is carried for a commodity customer.
- 555 (15) "Commodity contract" means a commodity futures contract, an option on a commodity
556 futures contract, a commodity option, or another contract if the contract or option is:
557 (a) traded on or subject to the rules of a board of trade that has been designated as a
558 contract market for such a contract [~~pursuant to~~] in accordance with federal
559 commodities laws; or
560 (b) traded on a foreign commodity board of trade, exchange, or market, and is carried on
561 the books of a commodity intermediary for a commodity customer.
- 562 (16) "Commodity customer" means a person for which a commodity intermediary carries a
563 commodity contract on [~~its~~] the person's books.
- 564 (17) "Commodity intermediary" means a person that:
565 (a) is registered as a futures commission merchant under federal commodities law; or
566 (b) in the ordinary course of [~~its~~] the person's business provides clearance or settlement
567 services for a board of trade that has been designated as a contract market [~~pursuant to~~]
568 in accordance with federal commodities law.
- 569 (18) "Communicate" means:
570 (a) to send a written or other tangible record;
571 (b) to transmit a record by any means agreed upon by the persons sending and receiving
572 the record; or

- 573 (c) in the case of transmission of a record to or by a filing office, to transmit a record by
574 any means prescribed by filing-office rule.
- 575 (19) "Consignee" means a merchant to which goods are delivered in a consignment.
- 576 (20) "Consignment" means a transaction, regardless of [its] the transaction's form, in which
577 a person delivers goods to a merchant for the purpose of sale and:
- 578 (a) the merchant:
- 579 (i) deals in goods of that kind under a name other than the name of the person making
580 delivery;
- 581 (ii) is not an auctioneer; and
- 582 (iii) is not generally known by [its] the merchant's creditors to be substantially
583 engaged in selling the goods of others;
- 584 (b) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at
585 the time of delivery;
- 586 (c) the goods are not consumer goods immediately before delivery; and
- 587 (d) the transaction does not create a security interest that secures an obligation.
- 588 (21) "Consignor" means a person that delivers goods to a consignee in a consignment.
- 589 (22) "Consumer debtor" means a debtor in a consumer transaction.
- 590 (23) "Consumer goods" means goods that are used or bought for use primarily for personal,
591 family, or household purposes.
- 592 (24) "Consumer-goods transaction" means a consumer transaction in which:
- 593 (a) an individual incurs an obligation primarily for personal, family, or household
594 purposes; and
- 595 (b) a security interest in consumer goods secures the obligation.
- 596 (25) "Consumer obligor" means an obligor who is an individual and who incurred the
597 obligation as part of a transaction entered into primarily for personal, family, or
598 household purposes.
- 599 (26)(a) "Consumer transaction" means a transaction in which:
- 600 (i) an individual incurs an obligation primarily for personal, family, or household
601 purposes;
- 602 (ii) a security interest secures the obligation; and
- 603 (iii) the collateral is held or acquired primarily for personal, family, or household
604 purposes.
- 605 (b) "Consumer transaction" includes consumer-goods transactions.
- 606 (27) "Continuation statement" means an amendment of a financing statement which:

- 607 (a) identifies, by [~~its~~] the amendment's file number, the initial financing statement to
608 which [~~it~~] the amendment relates; and
- 609 (b) indicates that it is a continuation statement for, or that it is filed to continue the
610 effectiveness of, the identified financing statement.
- 611 (28) "Debtor" means:
- 612 (a) a person having an interest, other than a security interest or other lien, in the
613 collateral, whether[~~or not~~] the person is an obligor;
- 614 (b) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or
615 (c) a consignee.
- 616 (29)(a) "Deposit account" means a demand, time, savings, passbook, or similar account
617 maintained with a bank.
- 618 (b) "Deposit account" does not include investment property[~~or~~], accounts evidenced by
619 an instrument, or programmable money.
- 620 (30) "Document" means a document of title or a receipt of the type described in [~~Subsection~~
621 ~~70A-7a-201(2)~~] Section 70A-7a-201.
- 622 (31) "Electronic chattel paper" means chattel paper evidenced by a record or records
623 consisting of information stored in an electronic medium.
- 624 (32) "Encumbrance" means a right, other than an ownership interest, in real property.
625 "Encumbrance" includes mortgages and other liens on real property.
- 626 (33) "Equipment" means goods other than inventory, farm products, or consumer goods.
- 627 (34) "Farm products" means goods, other than standing timber, with respect to which the
628 debtor is engaged in a farming operation and which are:
- 629 (a) crops grown, growing, or to be grown, including:
- 630 (i) crops produced on trees, vines, and bushes; and
631 (ii) aquatic goods produced in aquacultural operations;
- 632 (b) livestock, born or unborn, including aquatic goods produced in aquacultural
633 operations;
- 634 (c) supplies used or produced in a farming operation; or
635 (d) products of crops or livestock in their unmanufactured states.
- 636 (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any
637 other farming, livestock, or aquacultural operation.
- 638 (36) "File number" means the number assigned to an initial financing statement [~~pursuant to~~]
639 in accordance with Subsection 70A-9a-519(1).
- 640 (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

- 675 of the medium in which the program is embedded.
- 676 (e) "Goods" also does not include accounts, chattel paper, commercial tort claims,
677 deposit accounts, documents, general intangibles, instruments, investment property,
678 letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before
679 extraction.
- 680 (45)(a) "Governmental unit" means a subdivision, agency, department, county, parish,
681 municipality, or other unit of the government of the United States, a state, or a
682 foreign country.
- 683 (b) "Governmental unit" includes an organization having a separate corporate existence
684 if the organization is eligible to issue debt on which interest is exempt from income
685 taxation under the laws of the United States.
- 686 (46) "Health-care-insurance receivable" means an interest in or claim under a policy of
687 insurance which is a right to payment of a monetary obligation for health-care goods or
688 services provided.
- 689 (47)(a) "Instrument" means a negotiable instrument or any other writing that evidences a
690 right to the payment of a monetary obligation, is not [itself] a security agreement or
691 lease, and is of a type that in ordinary course of business is transferred by delivery
692 with any necessary indorsement or assignment.
- 693 (b) "Instrument" does not include:
- 694 (i) investment property;
- 695 (ii) letters of credit; or
- 696 (iii) writings that evidence a right to payment arising out of the use of a credit or
697 charge card or information contained on or for use with the card.
- 698 (48) "Inventory" means goods, other than farm products, which:
- 699 (a) are leased by a person as lessor;
- 700 (b) are held by a person for sale or lease or to be furnished under a contract of service;
- 701 (c) are furnished by a person under a contract of service; or
- 702 (d) consist of raw materials, work in process, or materials used or consumed in a
703 business.
- 704 (49) "Investment property" means a security, whether certificated or uncertificated, security
705 entitlement, securities account, commodity contract, or commodity account.
- 706 (50) "Jurisdiction of organization," with respect to a registered organization, means the
707 jurisdiction under whose law the organization is formed or organized.
- 708 (51)(a) "Letter-of-credit right" means a right to payment or performance under a letter of

- 709 credit, whether~~[or not]~~ the beneficiary has demanded or is at the time entitled to
710 demand payment or performance.
- 711 (b) "Letter-of-credit right" does not include the right of a beneficiary to demand payment
712 or performance under a letter of credit.
- 713 (52) "Lien creditor" means:
- 714 (a) a creditor that has acquired a lien on the property involved by attachment, levy, or
715 the like;
- 716 (b) an assignee for benefit of creditors from the time of assignment;
- 717 (c) a trustee in bankruptcy from the date of the filing of the petition; or
- 718 (d) a receiver in equity from the time of appointment.
- 719 (53)(a) "Manufactured home" means a structure, transportable in one or more sections,
720 which, in the traveling mode, is eight body feet or more in width or 40 body feet or
721 more in length, or, when erected on site, is 320 or more square feet, and which is
722 built on a permanent chassis and designed to be used as a dwelling with or without a
723 permanent foundation when connected to the required utilities, and includes the
724 plumbing, heating, air-conditioning, and electrical systems contained therein.
- 725 (b) "Manufactured home" includes any structure that meets all of the requirements of
726 this Subsection (53) except the size requirements and with respect to which the
727 manufacturer voluntarily files a certification required by the United States Secretary
728 of Housing and Urban Development and complies with the standards established
729 under Title 42 of the United States Code.
- 730 (54) "Manufactured-home transaction" means a secured transaction:
- 731 (a) that creates a purchase-money security interest in a manufactured home, other than a
732 manufactured home held as inventory; or
- 733 (b) in which a manufactured home, other than a manufactured home held as inventory, is
734 the primary collateral.
- 735 (55) "Mortgage" means a consensual interest in real property, including fixtures, which
736 secures payment or performance of an obligation.
- 737 (56) "New debtor" means a person that becomes bound as debtor under Subsection
738 70A-9a-203(4) by a security agreement previously entered into by another person.
- 739 (57)(a) "New value" means:
- 740 (i) money;
- 741 (ii) money's worth in property, services, or new credit; or
- 742 (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

- 811 the legislation, and any record filed with or issued by the state or the United States
812 which amends or restates the name of the organization.
- 813 (69) "Pursuant to commitment," with respect to an advance made or other value given by a
814 secured party, means [~~pursuant to~~] in accordance with the secured party's obligation,
815 whether[~~or not~~] a subsequent event of default or other event not within the secured
816 party's control has relieved or may relieve the secured party from [its] the secured party's
817 obligation.
- 818 (70) "Record," except as used in "for record," "of record," "record or legal title," and
819 "record owner," means information that is inscribed on a tangible medium or which is
820 stored in an electronic or other medium and is retrievable in perceivable form.
- 821 (71)(a) "Registered organization" means an organization formed or organized solely
822 under the law of a single state or the United States by the filing of a public organic
823 record with, the issuance of a public organic record by, or the enactment of
824 legislation by the state or the United States.
- 825 (b) "Registered organization" includes a business trust that is formed or organized under
826 the law of a single state if a statute of the state governing business trusts requires that
827 the business trust's organic record be filed with the state.
- 828 (72) "Secondary obligor" means an obligor to the extent that:
- 829 (a) the obligor's obligation is secondary; or
- 830 (b) the obligor has a right of recourse with respect to an obligation secured by collateral
831 against the debtor, another obligor, or property of either.
- 832 (73) "Secured party" means:
- 833 (a) a person in whose favor a security interest is created or provided for under a security
834 agreement, whether[~~or not~~] any obligation to be secured is outstanding;
- 835 (b) a person that holds an agricultural lien;
- 836 (c) a consignor;
- 837 (d) a person to which accounts, chattel paper, payment intangibles, or promissory notes
838 have been sold;
- 839 (e) a trustee, indenture trustee, agent, collateral agent, or other representative in whose
840 favor a security interest or agricultural lien is created or provided for; or
- 841 (f) a person that holds a security interest arising under Section 70A-2-401, 70A-2-505,
842 70A-4-210, or 70A-5-118 or Subsection 70A-2-711(3) or 70A-2a-508(5).
- 843 (74) "Security agreement" means an agreement that creates or provides for a security
844 interest.

- 845 (75) "Send," in connection with a record or notification, means:
- 846 (a) to deposit in the mail, deliver for transmission, or transmit by any other usual means
- 847 of communication, with postage or cost of transmission provided for, addressed to
- 848 any address reasonable under the circumstances; or
- 849 (b) to cause the record or notification to be received within the time that it would have
- 850 been received if properly sent under Subsection (75)(a).
- 851 (76)(a) "Software" means a computer program and any supporting information provided
- 852 in connection with a transaction relating to the program.
- 853 (b) "Software" does not include a computer program that is included in the definition of
- 854 goods.
- 855 (77) "State" means a state of the United States, the District of Columbia, Puerto Rico, the
- 856 United States Virgin Islands, or any territory or insular possession subject to the
- 857 jurisdiction of the United States.
- 858 (78) "Supporting obligation" means a letter-of-credit right or secondary obligation that
- 859 supports the payment or performance of an account, chattel paper, a document, a general
- 860 intangible, an instrument, or investment property.
- 861 (79) "Tangible chattel paper" means chattel paper evidenced by a record or records
- 862 consisting of information that is inscribed on a tangible medium.
- 863 (80) "Termination statement" means an amendment of a financing statement which:
- 864 (a) identifies, by [its] the amendment's file number, the initial financing statement to
- 865 which [it] the amendment relates; and
- 866 (b) indicates either that it is a termination statement or that the identified financing
- 867 statement is no longer effective.
- 868 (81) "Transmitting utility" means a person primarily engaged in the business of:
- 869 (a) operating a railroad, subway, street railway, or trolley bus;
- 870 (b) transmitting communications electrically, electromagnetically, or by light;
- 871 (c) transmitting goods by pipeline or sewer; or
- 872 (d) transmitting or producing and transmitting electricity, steam, gas, or water.

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

874 **70A-9a-901 . Coercion unlawful.**

875 No person may require the use of programmable money for a transaction without

876 accepting or offering a non-digital alternative free of charge.

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

878 **70A-9a-902 . Abuse of programmability unlawful.**

- 879 (1) An issuer of programmable money may not deny a transaction on the basis of:
880 (a) a person's political opinions, speech, or affiliations;
881 (b) a person's religious beliefs, religious exercise, or religious affiliations;
882 (c) a person's sex, skin color, ethnicity, or sexual orientation;
883 (d) a person's medical history, including vaccination status or participation or
884 non-participation in any treatments, procedures, or diagnoses;
885 (e) a person's location, purchase, or browsing history;
886 (f) a person's place of residence or current location;
887 (g) any factor related to the person's business sector; or
888 (h) the use of a rating, scoring, analysis, tabulation, or action that considers a social
889 credit score based on:
890 (i) any factors listed in Subsections (1)(a) through (1)(g);
891 (ii) the person's lawful ownership of a firearm;
892 (iii) the person's engagement in the lawful manufacture, distribution, sale, purchase,
893 or use of firearms, firearms accessories, or ammunition;
894 (iv) the person's engagement in the exploration, production, utilization,
895 transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or
896 agriculture;
897 (v) the person's support of the state or federal government in combating illegal
898 immigration, drug trafficking, or human trafficking;
899 (vi) the person's engagement with, facilitation of, employment by, support of,
900 business or other relationship with, representation of, or advocacy for a person
901 described in Subsection (1);
902 (vii) the person's failure to meet or commit to meet, or expected failure to meet, any
903 of the following as long as such person is in compliance with applicable state or
904 federal law:
905 (A) environmental standards, including emissions standards, benchmarks,
906 requirements, or disclosures;
907 (B) social governance standards, benchmarks, or requirements, including
908 environmental or social justice; or
909 (C) corporate board or company employment composition standards, benchmarks,
910 requirements, or disclosures based on characteristics protected under Title VI
911 of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.;
912 (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

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

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

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

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

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

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

958 **70A-9a-904 . Asset sale or purchase not prohibited.**

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

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

962 **70C-2-204 . Certain negotiable instruments prohibited.**

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

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

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

971 Section 13. **Effective Date.**

972 This bill takes effect on May 5, 2027.