

118TH CONGRESS  
2D SESSION

# S. 3801

To amend the Federal Reserve Act to prohibit the Federal Reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 2024

Mr. CRUZ (for himself, Mr. HAGERTY, Mr. SCOTT of Florida, Mr. BRAUN, Mr. BUDD, and Mr. CRAMER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Federal Reserve Act to prohibit the Federal Reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CBDC Anti-Surveil-  
5 lance State Act”.

1 **SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RE-**  
2 **LATING TO CERTAIN PRODUCTS OR SERV-**  
3 **ICES FOR INDIVIDUALS AND PROHIBITION**  
4 **ON DIRECTLY ISSUING A CENTRAL BANK DIG-**  
5 **ITAL CURRENCY.**

6 Section 16 of the Federal Reserve Act (12 U.S.C. 411  
7 et seq.) is amended by adding at the end the following:

8 “No Federal Reserve bank shall offer products or  
9 services directly to an individual, maintain an account on  
10 behalf of an individual, or issue a central bank digital cur-  
11 rency, or any digital asset that is substantially similar,  
12 under any other name or label, directly to an individual.”.

13 **SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDI-**  
14 **RECTLY ISSUING A CENTRAL BANK DIGITAL**  
15 **CURRENCY.**

16 Section 16 of the Federal Reserve Act (12 U.S.C. 411  
17 et seq.), as amended by section 2 of this Act, is further  
18 amended by adding at the end the following:

19 “A Federal Reserve bank shall not offer a central  
20 bank digital currency, or any digital asset that is substan-  
21 tially similar under any other name or label, indirectly to  
22 an individual through a financial institution or other inter-  
23 mediary. The preceding sentence is not to be construed  
24 to prohibit any dollar-denominated currency that is open,  
25 permissionless, private, and fully preserves the privacy  
26 protections of United States coins and physical currency.”.

1 **SEC. 4. PROHIBITION ON THE USE OF CENTRAL BANK DIG-**  
2 **ITAL CURRENCY FOR MONETARY POLICY.**

3 Section 16 of the Federal Reserve Act (12 U.S.C. 241  
4 et seq.) is amended by inserting before the twelfth undes-  
5 ignated paragraph the following:

6 “The Board of Governors of the Federal Reserve Sys-  
7 tem and the Federal Open Market Committee shall not  
8 use any central bank digital currency, or any digital asset  
9 that is substantially similar under any other name or label,  
10 to implement monetary policy.”.

11 **SEC. 5. CENTRAL BANK DIGITAL CURRENCY.**

12 (a) IN GENERAL.—The Federal Reserve Act (12  
13 U.S.C. 221 et seq.) is amended by inserting after section  
14 16 the following:

15 **“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.**

16 “(a) IN GENERAL.—The Board of Governors of the  
17 Federal Reserve System may not, absent Congressional  
18 authorization, issue a central bank digital currency.

19 “(b) CENTRAL BANK DIGITAL CURRENCY DE-  
20 FINED.—In this section, the term ‘central bank digital  
21 currency’ means a form of digital money or monetary  
22 value, denominated in the national unit of account, that  
23 is a direct liability of the Federal Reserve System.”.

24 (b) TREASURY.—

1           (1) IN GENERAL.—Chapter 3 of title 31 of the  
2           United States Code is amended by inserting after  
3           section 316 the following:

4           **“SEC. 317. CENTRAL BANK DIGITAL CURRENCY.**

5           “(a) IN GENERAL.—The Secretary of the Treasury  
6           may not, absent Congressional authorization, direct the  
7           Board of Governors of the Federal Reserve System to  
8           issue a central bank digital currency.

9           “(b) CENTRAL BANK DIGITAL CURRENCY DE-  
10          FINED.—In this section, the term ‘central bank digital  
11          currency’ means a form of digital money or monetary  
12          value, denominated in the national unit of account, that  
13          is a direct liability of the central bank.”.

14          (2) CLERICAL AMENDMENT.—The table of sec-  
15          tions for chapter 3 of title 31, United States Code,  
16          is amended by inserting after the item relating to  
17          section 316 the following:

“317. Central bank digital currency.”.

18          **SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND**  
19          **PRIVATE CURRENCY.**

20          This Act and the amendments made by this Act shall  
21          not apply to any dollar-denominated currency that is open,  
22          permissionless, and private, and fully preserves the privacy  
23          protections of United States coins and physical currency.