

ANTI-CBDC SURVEILLANCE STATE ACT

MAY 6, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 1919]

The Committee on Financial Services, to whom was referred the bill (H.R. 1919) 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, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Anti-CBDC Surveillance State Act”.

SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RELATING TO CERTAIN PRODUCTS OR SERVICES FOR INDIVIDUALS AND PROHIBITION ON DIRECTLY ISSUING A CENTRAL BANK DIGITAL CURRENCY.

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

“(18)(A) A Federal reserve bank may not—

- “(i) offer financial products or services directly to an individual;
- “(ii) maintain an account on behalf of an individual; or
- “(iii) issue a central bank digital currency, or any digital asset that is substantially similar under any other name or label.

“(B) In this paragraph, the term ‘central bank digital currency’ has the meaning given that term under section 10(11)(D).”.

SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDIRECTLY ISSUING A CENTRAL BANK DIGITAL CURRENCY.

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

“(19)(A) A Federal reserve bank may not offer a central bank digital currency, or any digital asset that is substantially similar under any other name or label, indirectly to an individual through a financial institution or other intermediary.

“(B) In this paragraph, the term ‘central bank digital currency’ has the meaning given that term under section 10(11)(D).”.

SEC. 4. PROHIBITION WITH RESPECT TO CENTRAL BANK DIGITAL CURRENCY.

Section 10 of the Federal Reserve Act (12 U.S.C. 241 et seq.) is amended by inserting before paragraph (12) the following:

“(11) PROHIBITION WITH RESPECT TO CENTRAL BANK DIGITAL CURRENCY.—

“(A) IN GENERAL.—The Board of Governors of the Federal Reserve System may not test, study, develop, create, or implement a central bank digital currency, or any digital asset that is substantially similar under any other name or label.

“(B) MONETARY POLICY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may not use a central bank digital currency to implement monetary policy, or any digital asset that is substantially similar under any other name or label.

“(C) EXCEPTION.—Subparagraph (A) and sections 16(18)(A)(iii) and 16(19)(A) may not be construed to prohibit any dollar-denominated currency that is open, permissionless, and private, and fully preserves the privacy protections of United States coins and physical currency.

“(D) CENTRAL BANK DIGITAL CURRENCY DEFINED.—In this paragraph, the term ‘central bank digital currency’ means a form of digital money or monetary value that is—

- “(i) denominated in the national unit of account;
- “(ii) a direct liability of the Federal Reserve System; and
- “(iii) widely available to the general public.”.

SEC. 5. SENSE OF CONGRESS.

It is the sense of Congress that the Board of Governors of the Federal Reserve System currently does not have the authority to issue a central bank digital currency, or any digital asset that is substantially similar under any other name or label, and will not have such authority unless Congress grants it under Congress’s Article 1 Section 8 powers.

PURPOSE AND SUMMARY

Introduced on March 6, 2025, by Representative Emmer, H.R. 1919, the *Anti-CBDC Surveillance State Act*, would amend Section 16 of the *Federal Reserve Act* to prohibit the Federal Reserve Banks from issuing a Central Bank Digital Currency (CBDC), or any substantially similar digital asset. Additionally, the bill would prohibit the Federal Reserve System and the Federal Open Market Committee from using a CBDC to implement monetary policy. The

bill also expresses the sense of Congress that the Board of Governors of the Federal Reserve System currently does not have the authority to issue a U.S. CBDC.

BACKGROUND AND NEED FOR LEGISLATION

A CBDC is a digital representation of fiat currency issued by a central bank. It uses an electronic record or digital “token” to represent fiat currency, denominated in the national unit of account. To date, the Federal Reserve’s analysis states a U.S. CBDC “would best serve the needs of the United States by being privacy-protected, intermediated, widely transferable, and identity-verified.”¹ Under a potential intermediated retail model, consumers would hold a U.S. CBDC in an account at a financial institution responsible for providing traditional consumer banking services or at a non-bank fintech firm to manage holdings and payments. In contrast to a retail CBDC, a wholesale CBDC would be used only by financial institutions for interbank settlement.

On November 15, 2021, Committee Republicans issued principles to use to evaluate a U.S. CBDC. These principles held that any potential Federal Reserve-issued digital currency must: (1) maintain the dollar as the world’s reserve currency and the preeminence of the U.S. payment system; (2) not impede ongoing development of stablecoins; (3) promote private sector innovation and foster competition; and (4) address privacy and security protections. Collectively, these principles ensure that any proposal does not allow the Federal Reserve or any other government agency to monopolize or weaponize a CBDC. Further, these principles ensure policymakers thoroughly weigh the risks of a U.S. CBDC.

In January 2022, the Board of Governors of the Federal Reserve System released a paper, “Money and Payments: The U.S. Dollar in the Age of Digital Transformation.”² In the paper, the Board sought to facilitate a conversation around potential design configurations for a U.S. CBDC. Around the same time, the Federal Reserve Bank of Boston and the Massachusetts Institute of Technology had an initiative to test the performance and scalability of a U.S. CBDC. This activity indicates that the Federal Reserve was expending significant resources in furtherance of a U.S. CBDC.

Moreover, a review of the *Federal Reserve Act* suggests the Federal Reserve does not have the legal authority to issue a CBDC to individuals absent authorizing legislation from Congress. The Supreme Court has also recognized Congress’ power to coin money and regulate the value thereof, confirming Congress’ authority to regulate each phase of currency.

During a Humphrey-Hawkins hearing in June 2023, Federal Reserve Chair Powell emphasized that there would be financial privacy risks for Americans if the Federal Reserve were to issue a CBDC directly to individuals. Chair Powell explained that the United States is a long way away from a CBDC but “if we were to support at some point in the future a CBDC, it would be one

¹Bd. of Govs. of the Fed. Reserve System, *Money and Payments: The U.S. Dollar in the Age of Digital Transformation*, Federal Reserve (Jan. 20, 2022) <https://www.federalreserve.gov/publications/money-and-payments-discussion-paper.htm>, pg. 2.

²Bd. of Govs. of the Fed. Reserve System, *Money and Payments: The U.S. Dollar in the Age of Digital Transformation*, (Jan. 2022) *Money and Payments: The U.S. Dollar in the Age of Digital Transformation*.

that would be intermediating through the banking system and not directly at the Fed.”³

COMMITTEE CONSIDERATION

115TH CONGRESS

The Subcommittee on Monetary Policy and Trade held a hearing on July 18, 2018, titled “The Future of Money: Digital Currency.”

116TH CONGRESS

The Committee on Financial Services held a hearing on July 10, 2019, titled “Monetary Policy and the State of the Economy.”

The Committee on Financial Services held a hearing on July 17, 2019, titled “Examining Facebook’s Proposed Cryptocurrency and Its Impact on Consumers, Investors, and the American Financial System.”

The Committee on Financial Services held a hearing on February 11, 2020, titled “Monetary Policy and the State of the Economy.”

The Task Force on Financial Technology of the Committee on Financial Services held a hearing on June 11, 2020, titled “Inclusive Banking During a Pandemic: Using Fed Accounts and Digital Tools to Improve Delivery of Stimulus Payments.”

The Committee on Financial Services held a hearing on June 17, 2020, titled “Monetary Policy and the State of the Economy.”

117TH CONGRESS

The Committee on Financial Services held a hearing on February 24, 2021, titled “Monetary Policy and the State of the Economy.”

The Task Force on Financial Technology of the Committee on Financial Services held a hearing on June 15, 2021, titled “Digitizing the Dollar: Investigating the Technological Infrastructure, Privacy, and Financial Inclusion Implications of Central Bank Digital Currencies.”

The Committee on Financial Services held a hearing on July 14, 2021, titled “Monetary Policy and the State of the Economy.”

The Subcommittee on National Security, International Development, and Monetary Policy of the Committee on Financial Services held a hearing on July 27, 2021, titled “The Promises and Perils of Central Bank Digital Currencies.”

The Committee on Financial Services held a hearing on December 8, 2021, titled “Digital Assets and the Future of Finance: Understanding the Challenges and Benefits of Financial Innovation in the United States.”

The Committee on Financial Services held a hearing on February 8, 2022, titled “Digital Assets and the Future of Finance: The President’s Working Group on Financial Markets’ Report on Stablecoins.”

The Committee on Financial Services held a hearing on March 2, 2022, titled “Monetary Policy and the State of the Economy.”

The Committee on Financial Services held a hearing on April 6, 2022, titled “The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System.”

³The Federal Reserve’s Semi-Annual Monetary Policy Report: Hearing Before the H. Comm. on Financial Serv., 119th Cong. (Jun. 21, 2023)

The Committee on Financial Services held a hearing on May 26, 2022, titled “Digital Assets and the Future of Finance: Examining the Benefits and Risks of a U.S. Central Bank Digital Currency.”

The Committee on Financial Services held a hearing on June 23, 2022, titled “Monetary Policy and the State of the Economy.”

118TH CONGRESS

On April 19, 2023, the Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing, entitled, “Understanding Stablecoins’ Role in Payments and the Need for Legislation.”

On May 18, 2023, the Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing, entitled “Putting the ‘Stable’ in ‘Stablecoins’: How Legislation Will Help Stablecoins Achieve Their Promise.”

On June 7, 2023, the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing entitled “Dollar Dominance: Preserving the U.S. Dollar’s Status as the Global Reserve Currency.”

On September 14, 2023, the Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing, entitled “Digital Dollar Dilemma: The Implications of a Central Bank Digital Currency and Private Sector Alternatives.”

119TH CONGRESS

On March 6, 2025, Representative Tom Emmer (R-MN), introduced H.R. 1919, *the Anti-CBDC Surveillance State Act*, with Representatives French Hill (R-AR), John R. Moolenaar (R-MI), Richard Hudson (R-NC), Andy Ogles (R-TN), Mike Bost (R-IL), Scott Franklin (R-FL), Marjorie Taylor Greene (R-GA), Andy Biggs (R-AZ), Michael Cloud (R-TX), Mike Flood (R-NE), Paul A. Gosar (R-AZ), Young Kim (R-CA), Dan Meuser (R-PA), Warren Davidson (R-OH), Kevin Kiley (R-CA), Byron Donalds (R-FL), Scott Fitzgerald (R-WI), Anna Paulina Luna (R-FL), Andrew Garbarino (R-NY), Frank Lucas (R-OK), Pete Sessions (R-TX), Bill Huizenga (R-MI), Ann Wagner (R-MO), Andy Barr (R-KY), Roger Williams (R-TX), Barry Loudermilk (R-GA), John Rose (R-TN), Bryan Steil (R-WI), William Timmons (R-SC), Ralph Norman (R-SC), Michael Lawler (R-NY), Monica De La Cruz (R-TX), Zach Nunn (R-IA), Maria Salazar (R-FL), Mike Haridopolos (R-FL), Troy Downing (R-MT), Tim Moore (R-NC), Don Bacon (R-NE), Josh Brecheen (R-OK), Mike Kelly (R-PA), Glenn Grothman (R-WI), Nancy Mace (R-SC), Guy Reschenthaler (R-PA), Mike Rogers (R-AL), David Rouzer (R-NC), David Valadao (R-CA), Jefferson Van Drew (R-NJ), Randy Weber (R-TX), Erin Houchin (R-IN), Harriet Hageman (R-WY), Nick Langworthy (R-NY), Lance Gooden (R-TX), Brad Finstad (R-MN), Michelle Fischbach (R-MN), Aaron Bean (R-FL), Mark Amodei (R-NV), Sam Graves (R-MO), Diana Harshbarger (R-TN), Elijah Crane (R-AZ), Juan Ciscomani (R-AZ), James Baird (R-IN), Trent Kelly (R-MS), Kat Cammack (R-FL), Chuck Fleischmann (R-TN), Greg Murphy, M.D. (R-NC), Stephanie Bice (R-OK), John Carter (R-TX), Dusty Johnson (R-SD), Andrew Clyde (R-GA), Tom Tiffany (R-WI), Jack Bergman (R-MI), Beth

Van Duyne (R-TX), Mike Collins (R-GA), Bob Latta (R-OH), Dan Crenshaw (R-TX), Jake Ellzey (R-TX), Darrell Issa (R-CA), Burgess Owens (R-UT), Scott Perry (R-PA), Ryan Zinke (R-MT), Clay Higgins (R-LA), Ashley Hinson (R-IA), Troy Balderson (R-OH), Richard McCormick (R-GA), Mike Carey (R-OH), Rob Wittman (R-VA), Chip Roy (R-TX), Michael McCaul (R-TX), John Rutherford (R-FL), Adrian Smith (R-NE), Claudia Tenney (R-NY), Jeff Crank (R-CO), Michael Baumgartner (R-WA), Ryan Mackenzie (R-PA), Addison McDowell (R-NC), Mark Messmer (R-IN), Derek Schmidt (R-KS), Dave Taylor (R-OH), Brandon Gill (R-TX), and Michael Guest (R-MS) as original cosponsors. Representatives Craig Goldman (R-TX), Cliff Bentz (R-OR), Barry Moore (R-AL), Julia Letlow (R-LA), Mike Ezell (R-MS), Tom Cole (R-OK), Randy Feenstra (R-IA), Tracey Mann (R-KS), Darin LaHood (R-IL), Ronny Jackson (R-TX), Ben Cline (R-VA), Nathaniel Moran (R-TX), Brett Guthrie (R-KY), Rudy Yakym (R-IN), August Pfluger (R-TX), Mark Green (R-TN), Marlin Stutzman (R-IN), Brian Babin (R-TX), Troy Nehls (R-TX), Thomas Kean (R-NJ), Derrick Van Orden (R-WI), Gus Bilirakis (R-FL), Mike Kennedy (R-UT), Steve Womack (R-AR), Kevin Hern (R-OK), Pete Stauber (R-MN), John McGuire (R-VA), Robert Bresnahan (R-PA), Nicholas Begich (R-AK), Austin Scott (R-GA), Chuck Edwards (R-NC), Brian Jack (R-GA), Mary Miller (R-IL), Greg Steube (R-FL), and Michael Rulli (R-OH) were added subsequently as cosponsors. The bill was referred solely to the Committee on Financial Services.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 1919:

On March 11, 2025, the Full Committee held a hearing titled “Navigating the Digital Payments Ecosystem: Examining a Federal Framework for Payment Stablecoins and Consequences of a U.S. Central Bank Digital Currency.” A discussion draft version of the bill was considered in this hearing. The following witnesses testified: Caroline Butler, Global Head of Digital Assets, The Bank of New York Mellon Corporation; Charles Cascarilla, CEO and Co-Founder, Paxos; Patrick Collison, CEO, Stripe; Randall Guynn, Chairman, Financial Institutions Group, Davis Polk & Wardwell; and Carole House, Senior Fellow, GeoEconomic Center, Atlantic Council.

The Committee on Financial Services met in open session on April 2, 2025, to consider, among others, H.R. 1919.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On April 2, 2025, H.R. 1919 was ordered to be reported favorably to the House by a recorded vote of 27 ayes and 22 nays, a quorum being present. (Record Vote No. FC-062). Before the question to re-

port was called, the Committee adopted an amendment in the nature of a substitute that made minor edits and technical changes, offered by Representative Emmer.

Committee on Financial Services

Markup 2

April 2, 2025

Bill H.R. 1919

Motion to report favorably

Measure H.R. 1919 (as amended)

Record Vote No.

FC-062

Disposition

AGREED TO (27-22)

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters		X	
Mr. Lucas	X			Ms. Velázquez		X	
Mr. Sessions	X			Mr. Sherman		X	
Mr. Huizenga	X			Mr. Meeks		X	
Mrs. Wagner	X			Mr. Scott		X	
Mr. Barr	X			Mr. Lynch		X	
Mr. Williams (TX)	X			Mr. Green (TX)		X	
Mr. Emmer	X			Mr. Cleaver			X
Mr. Loudermilk	X			Mr. Himes		X	
Mr. Davidson	X			Mr. Foster		X	
Mr. Rose	X			Mrs. Beatty		X	
Mr. Steil	X			Mr. Vargas		X	
Mr. Timmons	X			Mr. Gottheimer		X	
Mr. Stutzman	X			Mr. Gonzalez		X	
Mr. Norman			X	Mr. Casten		X	
Mr. Meuser	X			Ms. Pressley		X	
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds			X	Mr. Torres (NY)		X	
Mr. Garbarino	X			Ms. Garcia (TX)		X	
Mr. Fitzgerald	X			Ms. Williams of GA		X	
Mr. Flood	X			Ms. Pettersen			X
Mr. Lawler	X			Mr. Fields		X	
Ms. De La Cruz	X			Ms. Bynum		X	
Mr. Ogles			X	Mr. Liccardo		X	
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	27	0	3		0	22	2

Committee Totals:

27	22	5
Yeas	Nays	Not Voting

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 1919 are to prohibit the Federal Reserve Banks from issuing a CBDC or any substantially similar digital asset and to prohibit the Federal Reserve System and the Federal Open Market Committee from using a CBDC to implement monetary policy.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 1919. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of House rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the “*Anti-CBDC Surveillance State Act*.”

Section 2. Prohibition on Federal Reserve Banks relating to certain products or services for individuals and prohibition on directly issuing a central bank digital currency

Section 2 amends the Federal Reserve Act to preclude a Federal Reserve Bank from offering products or services directly to individuals, from maintaining an account for an individual, or from issuing a central bank digital currency.

Section 3. Prohibition on Federal Reserve Banks indirectly issuing a central bank digital currency

Section 3 amends the Federal Reserve Act to preclude a Federal Reserve Bank from offering a central bank digital currency.

Section 4. Prohibition with respect to central bank digital currency

Section 4 amends the Federal Reserve Act to preclude testing, studying, developing, creating, or implementing a central bank digital currency, and to preclude the Federal Reserve and Federal Open Market Committee from using a central bank digital currency to implement monetary policy. Section 4 exempts dollar-denominated currencies that are open, permissionless, and privacy preserving from this prohibition.

Section 5. Sense of Congress

Section 5 expresses the Sense of Congress that the Board of Governors of the Federal Reserve currently does not have the authority to issue a central bank digital currency and will not have such authority unless Congress grants it under Congress’s Article 1 Section 8 powers.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

FEDERAL RESERVE ACT

* * * * *

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935, for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks having less than \$10,000,000,000 in total assets. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of \$15,000, payable monthly, together with actual necessary traveling expenses.

The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, 1 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairman of the Board for a term of 4 years, and 2 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairmen of the Board, each for a term of 4 years, 1 of whom shall serve in the absence of the Chairman, as provided in the fourth undesignated paragraph of this section, and 1 of whom

shall be designated Vice Chairman for Supervision. The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the Board, and shall oversee the supervision and regulation of such firms. The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of fourteen years.

The Board of Governors of the Federal Reserve System shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year, and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After September 1, 2000, the Board may also use such assessments to acquire, in its own name, a site or building (in addition to the facilities existing on such date) to provide for the performance of the functions of the Board. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on any site so acquired by it a building or buildings suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building or buildings. The Board may maintain, enlarge, or remodel any building or buildings so acquired or constructed and shall have sole control of such building or buildings and space therein.

The principal offices of the Board shall be in the District of Columbia. At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore. The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal Reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys. No member of the Board of Governors of the Federal Reserve System shall be an officer or director

of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Board of Governors of the Federal Reserve System he shall certify under oath that he has complied with this requirement, and such certification shall be filed with the secretary of the Board. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Board of Governors of the Federal Reserve System appointed by the President as above provided, a successor shall be appointed by the President, by and with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of his predecessor.

The President shall have power to fill all vacancies that may happen on the Board of Governors of the Federal Reserve System during the recess of the Senate by granting commissions which shall expire with the next session of the Senate.

Nothing in this Act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this Act in the Board of Governors of the Federal Reserve System or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

The Board of Governors of the Federal Reserve System shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The report required under this paragraph shall include the reports required under section 707 of the Equal Credit Opportunity Act, section 18(f)(7) of the Federal Trade Commission Act, section 114 of the Truth in Lending Act, and the tenth undesignated paragraph of this section.

No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.

The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.

(11) *PROHIBITION WITH RESPECT TO CENTRAL BANK DIGITAL CURRENCY.*—

(A) *IN GENERAL.*—*The Board of Governors of the Federal Reserve System may not test, study, develop, create, or implement a central bank digital currency, or any digital*

asset that is substantially similar under any other name or label.

(B) *MONETARY POLICY.*—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may not use a central bank digital currency to implement monetary policy, or any digital asset that is substantially similar under any other name or label.

(C) *EXCEPTION.*—Subparagraph (A) and sections 16(18)(A)(iii) and 16(19)(A) may not be construed to prohibit any dollar-denominated currency that is open, permissionless, and private, and fully preserves the privacy protections of United States coins and physical currency.

(D) *CENTRAL BANK DIGITAL CURRENCY DEFINED.*—In this paragraph, the term “central bank digital currency” means a form of digital money or monetary value that is—

(i) *denominated in the national unit of account;*

(ii) *a direct liability of the Federal Reserve System;*
and

(iii) *widely available to the general public.*

(12) *APPEARANCES BEFORE CONGRESS.*—The Vice Chairman for Supervision shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives and at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of depository institution holding companies and other financial firms supervised by the Board.

* * * * *

NOTE ISSUES.

SEC. 16. Federal Reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal Reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal Reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under section 10A, 10B, 13, or 13A of this Act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this Act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates, or Special Drawing Right certificates, or any obligations which are direct obli-

gations of, or are fully guaranteed as to principal and interest by, the United States or any agency thereof, or assets that Federal Reserve banks may purchase or hold under section 14 of this Act or any other asset of a Federal reserve bank. In no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The said Board of Governors of the Federal Reserve System may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it. Collateral shall not be required for Federal Reserve notes which are held in the vaults of, or are otherwise held by or on behalf of, Federal Reserve banks.

Federal Reserve notes shall bear upon their faces a distinctive letter and serial number which shall be assigned by the Board of Governors of the Federal Reserve System to each Federal Reserve bank. Federal Reserve notes unfit for circulation shall be canceled, destroyed, and accounted for under procedures prescribed and at locations designated by the Secretary of the Treasury. Upon destruction of such notes, credit with respect thereto shall be apportioned among the twelve Federal Reserve banks as determined by the Board of Governors of the Federal Reserve System.

The Board of Governors of the Federal Reserve System shall have the right, acting through the Federal Reserve agent, to grant in whole or in part, or to reject entirely the application of any Federal Reserve bank for Federal Reserve notes; but to the extent that such application may be granted the Board of Governors of the Federal Reserve System shall, through its local Federal Reserve agent, supply Federal Reserve notes to the banks so applying, and such bank shall be charged with the amount of the notes issued to it and shall pay such rate of interest as may be established by the Board of Governors of the Federal Reserve System on only that amount of such notes which equals the total amount of its outstanding Federal Reserve notes less the amount of gold certificates held by the Federal Reserve agent as collateral security. Federal Reserve notes issued to any such bank shall, upon delivery, together with such notes of such Federal Reserve bank as may be issued under section 18 of this Act upon security of United States 2 per centum Government bonds, become a first and paramount lien on all the assets of such bank.

Any Federal Reserve bank may at any time reduce its liability for outstanding Federal Reserve notes by depositing with the Federal Reserve agent its Federal Reserve notes, gold certificates, Special Drawing Right certificates, or lawful money of the United States. Federal Reserve notes so deposited shall not be reissued, except upon compliance with the conditions of an original issue. The liability of a Federal Reserve bank with respect to its outstanding Federal Reserve notes shall be reduced by any amount paid by such bank to the Secretary of the Treasury under section 4 of the Old Series Currency Adjustment Act.

Any Federal Reserve bank may at its discretion withdraw collateral deposited with the local Federal Reserve agent for the protection of its Federal Reserve notes issued to it and shall at the same time substitute therefor other collateral of equal amount with the

approval of the Federal Reserve agent under regulations to be prescribed by the Board of Governors of the Federal Reserve System. Any Federal Reserve bank may retire any of its Federal Reserve notes by depositing them with the Federal Reserve agent or with the Treasurer of the United States, and such Federal Reserve bank shall thereupon be entitled to receive back the collateral deposited with the Federal Reserve agent for the security of such notes. Any Federal Reserve bank shall further be entitled to receive back the collateral deposited with the Federal Reserve agent for the security of any notes with respect to which such bank has made payment to the Secretary of the Treasury under section 4 of the Old Series Currency Adjustment Act. Federal Reserve notes so deposited shall not be reissued except upon compliance with the conditions of an original issue.

All Federal Reserve notes and all gold certificates, Special Drawing Right certificates, and lawful money issued to or deposited with any Federal Reserve agent under the provisions of the Federal Reserve Act shall hereafter be held for such agent, under such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe, in the joint custody of himself and the Federal Reserve bank to which he is accredited. Such agent and such Federal Reserve bank shall be jointly liable for the safekeeping of such Federal Reserve notes, gold certificates, Special Drawing Right certificates, and lawful money. Nothing herein contained, however, shall be construed to prohibit a Federal Reserve agent from depositing gold certificates and Special Drawing Right certificates with the Board of Governors of the Federal Reserve System, to be held by such Board subject to his order, or with the Treasurer of the United States for the purposes authorized by law.

In order to furnish suitable notes for circulation as Federal reserve notes, the Secretary of the Treasury shall cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes of the denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 as may be required to supply the Federal reserve banks. Such notes shall be in form and tenor as directed by the Secretary of the Treasury under the provisions of this Act and shall bear the distinctive numbers of the several Federal reserve banks through which they are issued.

When such notes have been prepared, the notes shall be delivered to the Board of Governors of the Federal Reserve System subject to the order of the Secretary of the Treasury for the delivery of such notes in accordance with this Act.

The plates and dies to be procured by the Secretary of the Treasury for the printing of such circulating notes shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the procuring of such notes, and all other expenses incidental to their issue and retirement, shall be paid by the Federal reserve banks, and the Board of Governors of the Federal Reserve System shall include in its estimate of expenses levied against the Federal reserve banks a sufficient amount to cover the expenses herein provided for.

The Secretary of the Treasury may examine the plates, dies, bed pieces, and other material used in the printing of Federal

Reserve notes and issue regulations relating to such examinations.

Any appropriation heretofore made out of the general funds of the Treasury for engraving plates and dies, the purchase of distinctive paper, or to cover any other expense in connection with the printing of national-bank notes or notes provided for by the Act of May thirtieth, nineteen hundred and eight, and any distinctive paper that may be on hand at the time of the passage of this Act may be used in the discretion of the Secretary for the purposes of this Act, and should the appropriations heretofore made be insufficient to meet the requirements of this Act in addition to circulating notes provided for by existing law, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated for the purpose of furnishing the notes aforesaid: *Provided, however,* That nothing in this section contained shall be construed as exempting national banks or Federal reserve banks from their liability to reimburse the United States for any expenses incurred in printing and issuing circulating notes. (Omitted from U.S. Code)

Every Federal reserve bank shall receive on deposit at par from depository institutions or from Federal reserve banks checks and other items, including negotiable orders of withdrawal and share drafts and drafts drawn upon any of its depositors, and when remitted by a Federal reserve bank, checks and other items, including negotiable orders of withdrawal and share drafts and drafts drawn by any depositor in any other Federal reserve bank or depository institution upon funds to the credit of said depositor in said reserve bank or depository institution. Nothing herein contained shall be construed as prohibiting a depository institution from charging its actual expense incurred in collecting and remitting funds, or for exchange sold to its patrons. The Board of Governors of the Federal Reserve System shall, by rule, fix the charges to be collected by the depository institutions from its patrons whose checks and other items, including negotiable orders of withdrawal and share drafts are cleared through the Federal reserve Bank and the charge which may be imposed for the service of clearing or collection rendered by the Federal reserve bank.

The Board of Governors of the Federal Reserve System shall make and promulgate from time to time regulations governing the transfer of funds and charges therefor among Federal reserve banks and their branches, and may at its discretion exercise the functions of a clearing house for such Federal reserve banks, or may designate a Federal reserve bank to exercise such functions, and may also require each such bank to exercise the functions of a clearing house for depository institutions.

The Secretary of the Treasury is hereby authorized and directed to receive deposits of gold or of gold certificates or of Special Drawing Right certificates with the Treasurer or any Assistant Treasurer of the United States when tendered by any Federal Reserve bank or Federal Reserve agent for credit to its or his account with the Board of Governors of the Federal Reserve System. The Secretary shall prescribe by regulation the form of receipt to be issued by the Treasurer or Assistant Treasurer to the Federal Reserve bank or Federal Reserve agent making the deposit, and a duplicate of such receipt shall be delivered to the Board of Governors of the

Federal Reserve System by the Treasurer at Washington upon proper advices from any Assistant Treasurer that such deposit has been made. Deposits so made shall be held subject to the orders of the Board of Governors of the Federal Reserve System and deposits of gold or gold certificates shall be payable in gold certificates, and deposits of Special Drawing Right certificates shall be payable in Special Drawing Right certificates, on the order of the Board of Governors of the Federal Reserve System to any Federal Reserve bank or Federal Reserve agent at the Treasury or at the sub-treasury of the United States nearest the place of business of such Federal Reserve bank or such Federal Reserve agent. The order used by the Board of Governors of the Federal Reserve System in making such payments shall be signed by the chairman or vice chairman, or such other officers or members as the Board may by regulation prescribe. The form of such order shall be approved by the Secretary of the Treasury.

The expenses necessarily incurred in carrying out these provisions, including the cost of the certificates or receipts issued for deposits received, and all expenses incident to the handling of such deposits shall be paid by the Board of governors of the Federal Reserve System and included in its assessments against the several Federal reserve banks.

Nothing in this section shall be construed as amending section six of the Act of March fourteenth, nineteen hundred, as amended by the Acts of March fourth, nineteen hundred and seven, March second, nineteen hundred and eleven, and June twelfth, nineteen hundred and sixteen, nor shall the provisions of this section be construed to apply to the deposits made or to the receipts or certificates issued under those Acts.

(18)(A) *A Federal reserve bank may not—*

(i) offer financial products or services directly to an individual;

(ii) maintain an account on behalf of an individual; or

(iii) issue a central bank digital currency, or any digital asset that is substantially similar under any other name or label.

(B) In this paragraph, the term “central bank digital currency” has the meaning given that term under section 10(11)(D).

(19)(A) A Federal reserve bank may not offer a central bank digital currency, or any digital asset that is substantially similar under any other name or label, indirectly to an individual through a financial institution or other intermediary.

(B) In this paragraph, the term “central bank digital currency” has the meaning given that term under section 10(11)(D).

* * * * *

MINORITY VIEWS

H.R. 1919 would immediately halt and prohibit the United States from exploring the potential benefits of a central bank digital currency (CBDC). A CBDC is a digital currency that is issued by a country's central bank and the value of which is pegged to the national currency. The two more prominent types of CBDCs are "retail CBDCs" and "wholesale CBDCs." Retail CBDCs are made available to consumers, either directly from the Fed ("direct CBDC") or through a bank or other financial institution ("intermediated or indirect CBDC").¹ A wholesale CBDC would not be available to the public but rather would only be available to banks and potentially other financial institutions, and likely would be used for interbank settlement or large cross-border payments.

H.R. 1919 would prohibit the Federal Reserve (Fed), particularly their 12 Federal Reserve Banks, from offering products or services directly to individuals; maintaining an account for individuals; or researching, testing, or issuing a retail CBDC, including indirectly through a financial institution or other intermediary. The bill's sweeping ban fails to accurately distinguish between retail and wholesale CBDCs. For example, while some of the bill's provisions focus on prohibiting a retail CBDC, the bill's new sense of Congress that the Fed lacks authority to issue any kind of CBDC, including wholesale CBDCs, would undermine opportunities to research, test, and issue wholesale CBDCs that could drastically reduce the costs of cross-border payments. For example, one study from JPMorgan Chase and Oliver Wyman found that global companies make more than \$23 trillion in cross-border payments, roughly about 25% of global GDP. They estimate a wholesale CBDC network could save \$100 billion a year, reducing the transaction costs from \$120 billion to facilitate those cross-border payments to about \$20 billion.²

Furthermore, H.R. 1919 would effectively prohibit the issuance of a CBDC in the U.S. before the U.S. has even had a chance to fully explore the benefits, challenges, and design options. As of April 2025, there are 134 countries and currency unions, representing 98% of global GDP, that are exploring a CBDC, which is up from 35 countries in May 2020.³ As other countries race ahead and compete to develop and implement CBDCs to harness what could prove to be critical in the evolving global financial landscape, this bill would keep the U.S. behind the starting line.

To the extent that cryptocurrencies offer certain benefits, a CBDC could also offer those same benefits while having a greater potential to gain broad public trust and utilization (especially after numerous digital assets have been used to defraud Americans), overcome challenges with regard to interchangeability, avoid vola-

¹ Cato, *A Breakdown of the Different CBDC Models* (Feb. 10, 2023).

² Oliver Wyman, *Unlocking \$120 Billion Value In Cross-border Payments* (Nov. 2021).

³ Atlantic Council, *Central Bank Digital Currency Tracker* (accessed March 5, 2025).

tility in value, and prioritize financial inclusion and consumer protection. CBDCs may also have the potential to provide faster payment transactions and lower transaction fees for consumers and small businesses.

During the 118th Congress in a March 2023 full Committee hearing, when asked whether the Fed would need Congressional authorization to issue a CBDC, Fed Chair Jerome Powell distinguished between retail and wholesale CBDCs.⁴ He stated, “we’ve always been talking about retail CBDC and [that’s] something we would certainly need congressional approval for” yet potential forms of wholesale CBDCs would be “less clear.”⁵ Around this time, Rep. Emmer introduced H.R. 5403—an earlier version of this bill (H.R. 1919). H.R. 5403 passed the House last Congress by a vote of 216–192.

Shortly after being inaugurated, on January 23rd President Trump issued an executive order on digital assets (EO).⁶ This EO prohibits CBDCs, including a restriction on any agency activity related to the creation of CBDCs. The EO utilizes similar language to the version of this bill from the 118th Congress.⁷ The EO bans any “form of digital money or monetary value, denominated in the national unit of account, that is a direct liability of the central bank.”⁸ When read broadly, this could have sweeping ramifications for existing Fed programs, like FedNow.

H.R. 1919 is opposed by the following groups: Public Citizen, Americas for Financial Reform, Raúl Carrillo (Academic Fellow, Columbia Law School), Rohan Grey (Assistant Professor of Law, Willemette University College of Law).

For these reasons, we oppose H.R. 1919.

Sincerely,

MAXINE WATERS,
Ranking Member.
 NYDIA M. VELÁZQUEZ,
 BRAD SHERMAN,
 DAVID SCOTT,
 STEPHEN F. LYNCH,
 AL GREEN,
 EMANUEL CLEAVER, II,
 BILL FOSTER,
 JOYCE BEATTY,
 JUAN VARGAS,
 AYANNA PRESSLEY,
 RASHIDA TLAIB,
 SYLVIA R. GARCIA,
 NIKEMA WILLIAMS,
Members of Congress.



⁴House Committee on Financial Services, The Federal Reserve’s Semi-Annual Monetary Policy Report, 118th Cong. (March 8, 2023).

⁵House Committee on Financial Services, The Federal Reserve’s Semi-Annual Monetary Policy Report, 118th Cong. (March 8, 2023).

⁶White House, *Strengthening American Leadership In Digital Financial Technology* (Jan. 23, 2025).

⁷Rep. Emmer, *H.R. 5403—CBDC Anti-Surveillance State Act* (accessed Feb. 10, 2025).

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