

By: Parker

S.C.R. No. 8

CONCURRENT RESOLUTION

1 WHEREAS, The Federal Reserve is exploring the potential
2 benefits and risks of implementing a central bank digital currency,
3 but it has not given sufficient consideration to key issues
4 regarding privacy and cybersecurity; and

5 WHEREAS, A central bank digital currency (CBDC) is a digital
6 form of money that is a liability of the Federal Reserve, rather
7 than a liability of commercial banks; retail CBDCs are issued to the
8 general public, establishing a direct relationship between the
9 Federal Reserve and consumers; this could lead to unprecedented
10 levels of government surveillance and control over private cash
11 holdings and transactions; and

12 WHEREAS, A number of global leaders have expressed concern
13 about the threat of cyber risk to financial stability, and CBDC
14 vulnerabilities could be exploited to compromise a nation's
15 financial system; many CBDC proposals involve the centralized
16 collection of transaction data, which poses major privacy and
17 security risks, such as making it easier for intruders to access the
18 data of more users; however, proposals that include strategies to
19 minimize those risks often reduce transparency for regulators
20 seeking to detect money laundering, terrorism financing, and other
21 illicit activities; and

22 WHEREAS, The implementation of a CBDC would make countless
23 U.S. citizens more vulnerable to intrusive federal oversight and
24 security threats; now, therefore, be it

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1 RESOLVED, That the 89th Legislature of the State of Texas
2 hereby express its opposition to the creation of a central bank
3 digital currency.