



## **Opposition to House File 2311, aka the “Transactional Gold & Silver Boondoggle” Bill**

On behalf of the Sound Money Defense League, a national grassroots public policy organization, I am writing today in strong opposition to House File 2311.

While we appreciate the apparent desire of some elected Iowa leaders to implement pro-gold and silver policies generally, this ill-conceived measure births a new government program that leads to harmful intervention in the gold industry, unfairly picks winner and losers to the detriment of Iowa businesses, and creates a boondoggle for Iowa and its citizens.

House File 2311 would severely damage free market competition and is a big step in the wrong direction with respect to sound money policy. It’s also worth pointing out that this bill overlaps and conflicts with the Iowa’s commodity code and the jurisdiction of state regulators that oversee it.

Legislators in other states have recognized these self-interested vendor proposals for what they are and rejected them, including Michigan, Wyoming, New Jersey, Oklahoma, West Virginia, and Idaho. Utah, Mississippi, South Dakota all rejected version of this scheme in their state just this month.

Specifically, HF 2311 envisions a public-private partnership between the State of Iowa and a small handful of gold vendors who would jointly roll out services to the public *that are already legal and freely available right now in the private sector.*

In effect, the legislation would have the State of Iowa become a precious metals dealer and depository (or endorse one over all others) – while creating, launching, and managing an electronic payment and asset custody scheme that intertwines itself with both the private personal finances of Iowans and the state government.

In general, Americans do not want the government involved with their gold ownership, and there is also virtually no demand from the public to spend or pay taxes in gold (as explained by economic law, i.e., Gresham’s Law).

**Firms offering gold and silver for purchase, storage, or payment should compete in the private market. The government should not be picking winners and losers or handing out special government designations to businesses so they can pry customers away from the hundreds of private precious metals businesses that already serve the citizens of Iowa today.**

Meanwhile, Utah's governor vetoed a similar bill backed by the same vendors in 2025 based on unworkability, lack of ability to meet compliance standards, and conflicts of interests. In his veto letter, Gov. Spencer Cox explained that his veto was because "*there are significant problems that*

*make [the bill] operationally impracticable. Additionally, I am concerned that a specific entity offered to fund the bill, which could jeopardize the required competitive process in the bill."*

While HF 2311 is unwise policy and should be abandoned, we do not wish to impugn the motives of any well-meaning bill sponsors.

The Sound Money Defense League supports principled steps that would remove barriers to gold and silver ownership and have worked to help enact dozens of pro-gold and silver laws around the country since 2014. The monetary metals are money as affirmed by Article 1 Section 10 of the U.S. Constitution and the decline in purchasing power of the U.S. Dollar is a very real problem.

But the solution to this problem is not staging a partial government takeover of an industry nor a large new government program. After all, it's big government policies and fiscal recklessness at the federal level – combined with the Federal Reserve system itself -- that spawned the very inflation and affordability crisis citizens face today.

If Iowa truly wishes to promote sound money, the next logical step would be a clean, standalone bill that removes any income tax liability on capital gains from the sale of gold and silver (as 14 other states have already done).

Iowa could also better secure its financial stability and resiliency by holding an allocation of gold on the state's balance sheet like other states have been doing (along with central banks worldwide).

To these ends, we are eager to assist members of the Iowa legislature formulate sound money legislation that would be beneficial rather than detrimental to Iowa's businesses and citizens.