

House File 346 - Introduced

HOUSE FILE 346

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A BILL FOR

1 An Act recognizing gold and silver coin as legal tender.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 524.805, Code 2013, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 9. A state bank shall receive deposits
4 in gold and silver coins recognized as legal tender pursuant
5 to section 535.6, and shall denominate and segregate accounts
6 containing gold and silver coins from other forms of currency.
7 Withdrawals shall be made in the same currency as deposits
8 unless converted from one form of currency to another form of
9 currency.

10 Sec. 2. NEW SECTION. 533.331 **Acceptance of deposits of gold**
11 **and silver.**

12 A state credit union shall receive deposits in gold
13 and silver coins recognized as legal tender pursuant to
14 section 535.6, and shall denominate and segregate accounts
15 containing gold and silver coins from other forms of currency.
16 Withdrawals shall be made in the same currency as deposits
17 unless converted from one form of currency to another form of
18 currency.

19 Sec. 3. NEW SECTION. 535.6 **Gold and silver coin — legal**
20 **tender.**

21 1. *Definitions.* For the purposes of this section:

22 a. "*Financial transaction*" means a transaction that requires
23 and stipulates the payment of, or by the terms of which is
24 payable in, some medium of exchange, currency, or money.

25 b. "*Legal tender*" means a medium of exchange, currency, or
26 money that may be accepted in a financial transaction in this
27 state.

28 2. *Legal tender.*

29 a. Gold and silver coin issued by the federal government is
30 legal tender in this state. Any person may use gold or silver
31 coin, or both, as legal tender in a financial transaction to
32 which that person is a party.

33 b. If a financial transaction by its terms requires
34 that payment shall be made in gold or silver coin, the only
35 allowable medium of exchange for payment of the transaction

1 shall be gold or silver coin.

2 *c.* If a financial transaction by its terms requires that
3 payment be made in some medium of exchange other than gold or
4 silver coin, the parties may mutually agree to payment of the
5 transaction with gold or silver coin at such rate of exchange
6 between the other medium of exchange originally stipulated in
7 the transaction and gold or silver coin as the parties may deem
8 appropriate.

9 *d.* A person may not compel any other person to accept gold
10 and silver coin as legal tender. The designation of gold and
11 silver coin as legal tender pursuant to this section shall
12 not preclude or prejudice the use by any person for any legal
13 purpose of any medium of exchange, currency, or money, in
14 addition to gold and silver coin, which has been designated
15 legal tender under the laws of the United States.

16 3. A transaction entered into by a person which involves the
17 exchange of any gold or silver coin which is legal tender for
18 some medium of exchange other than gold or silver coin which
19 has been designated legal tender shall not be subject to any
20 sales, excise, gross receipts, income, capital gains, or other
21 form of tax or charge authorized under the laws of this state.

22 Sec. 4. GOLD AND SILVER COIN DEPOSITORY — STUDY. The
23 division of banking of the department of commerce shall conduct
24 a study to evaluate establishing a state gold and silver coin
25 depository whereby customers could utilize debit cards linked
26 to gold and silver coin investments to transfer gold and silver
27 coins between accounts. In conducting the study, the division
28 shall consider similar depositories established or in the
29 process of being established in other states. The division
30 shall assess the advantages, disadvantages, implementation
31 of, and estimated utilization of such a depository, and shall
32 submit a report containing its recommendations to the general
33 assembly by January 1, 2014.

34

EXPLANATION

35 This bill provides that gold and silver coin issued by the

1 federal government is legal tender in Iowa.

2 The bill provides that any person may use gold or silver
3 coin, or both, as legal tender in a financial transaction to
4 which that person is a party. The bill defines a "financial
5 transaction" to mean a transaction that requires and stipulates
6 the payment of, or by the terms of which is payable in, some
7 medium of exchange, currency, or money. The bill defines
8 "legal tender" to mean a medium of exchange, currency, or money
9 that may be accepted in a financial transaction in Iowa.

10 The bill states that if a financial transaction by its
11 terms requires that payment shall be made in gold or silver
12 coin, the only allowable medium of exchange for payment of
13 the transaction shall be gold or silver coin. If a financial
14 transaction by its terms requires that payment be made in some
15 medium of exchange other than gold or silver coin, the bill
16 states that the parties may mutually agree to payment of the
17 transaction with gold or silver coin at such rate of exchange
18 between the other medium of exchange originally stipulated in
19 the transaction and gold or silver coin as the parties may
20 deem appropriate. The bill provides that a person may not
21 compel any other person to accept gold and silver coin as legal
22 tender, and that designation of gold and silver coin as legal
23 tender shall not preclude or prejudice the use by any person
24 for any legal purpose of any medium of exchange, currency, or
25 money, in addition to gold and silver coin, which has been
26 designated legal tender under the laws of the United States.

27 The bill states that a transaction entered into by a person
28 which involves the exchange of any gold or silver coin which
29 is legal tender for some medium of exchange other than gold or
30 silver coin which has been designated legal tender shall not be
31 subject to any sales, excise, gross receipts, income, capital
32 gains, or other form of tax or public charge under the laws of
33 this state.

34 The bill directs the division of banking of the department
35 of commerce to conduct a study to evaluate establishing a

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1 state gold and silver coin depository whereby customers could
2 utilize debit cards linked to gold and silver coin investments
3 to transfer gold and silver coins between accounts. In
4 conducting the study, the division is directed to consider
5 similar depositories established or in the process of being
6 established in other states, and to assess the advantages,
7 disadvantages, implementation of, and estimated utilization
8 of such a depository. The division is required to submit a
9 report containing its recommendations to the general assembly
10 by January 1, 2014.