

House File 2229 - Introduced

HOUSE FILE 2229

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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 2024, 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. 533.332 **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. 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. *a.* Gold and silver coin issued by the federal government
29 is legal tender in this state. Any person may use gold
30 or silver coin, or both, as legal tender in a financial
31 transaction to which that person is a party.

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

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

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

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

21 Sec. 4. GOLD AND SILVER COIN DEPOSITORY — STUDY. The
22 division of banking of the department of insurance and
23 financial services shall conduct a study to evaluate
24 establishing a state gold and silver coin depository whereby
25 customers could utilize debit cards linked to gold and silver
26 coin investments to transfer gold and silver coins between
27 accounts. In conducting the study, the division shall consider
28 similar depositories established or in the process of being
29 established in other states. The division shall assess the
30 advantages, disadvantages, implementation of, and estimated
31 utilization of such a depository, and shall submit a report
32 containing its recommendations to the general assembly by
33 January 1, 2025.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill provides that gold and silver coin issued by the
3 federal government is legal tender in Iowa.

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

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

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

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1 The bill directs the division of banking of the department
2 of insurance and financial services to conduct a study to
3 evaluate establishing a state gold and silver coin depository
4 whereby customers could utilize debit cards linked to gold
5 and silver coin investments to transfer gold and silver coins
6 between accounts. In conducting the study, the division is
7 directed to consider similar depositories established or in the
8 process of being established in other states, and to assess the
9 advantages, disadvantages, implementation of, and estimated
10 utilization of such a depository. The division is required to
11 submit a report containing its recommendations to the general
12 assembly by January 1, 2025.