

Senate File 2195 - Introduced

SENATE FILE 2195

BY ALONS

A BILL FOR

1 An Act relating to the use of specie as legal tender.

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

unofficial

1 Section 1. NEW SECTION. **12L.1 Definitions.**

2 For purposes of this chapter:

3 1. "*Bullion*" means refined gold or silver in any shape or
4 form that is certified as ninety-nine and five-tenths percent
5 pure gold or ninety-nine and nine-tenths percent pure silver.

6 2. "*Bullion depository*" means a vault facility for
7 the storage of bullion that meets all of the following
8 qualifications:

9 a. Complies with the prescribed London bullion market
10 association or equivalent best practices guidelines.

11 b. Provides accounts for holding bullion that allow account
12 holders to buy, sell, save, or spend bullion.

13 c. Is located in the United States.

14 3. "*Depository agent*" means a private entity authorized by
15 the treasurer of state to operate a bullion depository or perform
16 related services.

17 4. "*Electronic payment system*" means an electronic platform
18 that enables participating vendors to receive and process a
19 payment from an account holder of a bullion depository using
20 specie held in the bullion depository as the basis for the
21 payment transaction.

22 5. "*Legal tender*" means a medium of exchange, currency, or
23 money that may be accepted in a financial transaction in this
24 state.

25 6. "*Social credit scoring system*" means a system of
26 recordkeeping, data collection, or scoring that conditions access
27 to services, benefits, or opportunities based on an evaluation of
28 a person's beliefs or associations.

29 7. "*Specie*" means bullion that is stamped into coins of
30 uniform shape, size, design, content, and purity, suitable for or
31 customarily used as currency.

32 8. "*Transactional gold and silver*" means a representation in
33 fractional troy ounces or grams of specie held in a bullion
34 depository that may be transferred through electronic or written
35 instruction by the owner to make a payment or transfer value

1 between consenting parties.

2 Sec. 2. NEW SECTION. **12L.2 Specie as legal tender.**

3 1. Specie is legal tender in this state. Any person may use
4 specie as legal tender in a financial transaction to which that
5 person is a party.

6 2. A person shall not be required to accept specie as legal
7 tender.

8 Sec. 3. NEW SECTION. **12L.3 Duties and powers of**
9 **treasurer.**

10 1. The treasurer of state shall do all of the following:

11 a. Approve one or more bullion depositories for the secure
12 storage of bullion to facilitate transactions under this chapter.
13 The treasurer shall either establish and operate a bullion
14 depository directly or contract with a depository agent.

15 b. Authorize one or more electronic payment systems to
16 facilitate transactions under this chapter.

17 c. Adopt rules pursuant to chapter 17A to implement this
18 chapter, including to ensure all of the following:

19 (1) Each approved bullion depository is secure, transparent
20 to account holders, and accessible for use by any person.

21 (2) Each authorized electronic payment system is reliable and
22 complies with applicable state and federal law.

23 (3) Depository agents and contracted entities operate in the
24 best interests of Iowa and the account holders of the bullion
25 depository.

26 (4) Each authorized electronic payment system and
27 participating vendor is authorized to do business in this state
28 and is compliant with state and federal money transmitter laws.

29 (5) Appropriate fraud prevention measures are implemented by
30 each approved bullion depository, depository agent or contracted
31 entity, authorized electronic payment system, and participating
32 vendor of an authorized electronic payment system.

33 (6) The privacy of the bullion depository's account holders
34 and the participants of each authorized electronic payment system
35 is protected, including by ensuring that transaction information

1 is not shared with a person other than the account holder or
2 participant without proper court authorization and is not used in
3 a social credit scoring system.

4 2. The treasurer of state may contract with one or more
5 private entities to develop or operate an electronic payment
6 system.

7 Sec. 4. NEW SECTION. **12L.4 Contract with electronic payment**
8 **system required.**

9 A bullion depository approved by the treasurer of state shall
10 have a contractual relationship with each electronic payment
11 system that is authorized by the treasurer of state to provide
12 services for bullion deposits.

13 Sec. 5. NEW SECTION. **12L.5 Insurance required.**

14 A bullion depository approved by the treasurer of state shall
15 insure each deposit under an all-risk insurance policy issued by
16 a nongovernmental insurer authorized to do business in this state
17 for the full replacement of the deposit.

18 Sec. 6. NEW SECTION. **12L.6 Property rights to bullion**
19 **depository accounts.**

20 1. A deposit made in a bullion depository approved by the
21 treasurer of state shall be the sole property of the account
22 holder.

23 2. The state shall not transfer or use the assets of a
24 privately held account in an approved bullion depository.

25 Sec. 7. NEW SECTION. **12L.7 Report.**

26 The treasurer of state shall submit an annual report to the
27 general assembly by July 1 that includes all of the following:

28 1. The status and operations of each approved bullion
29 depository.

30 2. The implementation and usage of each authorized electronic
31 payment system.

32 3. The economic impact of recognizing specie as legal tender.

33 Sec. 8. NEW SECTION. **12L.8 Limitations.**

34 1. This chapter does not authorize a digital medium of
35 exchange or a digital monetary unit of account that is issued

1 by the board of governors of the federal reserve system, the
2 United States, a state, a foreign country or jurisdiction, an
3 intergovernmental organization, or a political subdivision of a
4 state and that is either made directly available to a consumer or
5 processed or validated directly by the issuer.

6 2. Transactional gold and silver shall not be used by the
7 state or a public entity as a mechanism for surveillance or
8 social credit scoring.

9 Sec. 9. NEW SECTION. **12L.9 Tax exemptions.**

10 1. A transaction entered into by a person which involves
11 the exchange of specie for some medium of exchange other than
12 specie shall not be subject to any sales, excise, gross receipts,
13 income, capital gains, or other form of tax or charge authorized
14 under the laws of this state.

15 2. The purchase, sale, or exchange of specie shall not be
16 subject to any sales, excise, gross receipts, income, capital
17 gains, or other form of tax or charge authorized under the laws
18 of this state.

19 Sec. 10. IMPLEMENTATION. The treasurer of state shall
20 implement this Act by July 1, 2027.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill provides that specie, defined in the bill, is legal
25 tender in this state and that a person is not required to accept
26 specie as payment.

27 The bill requires the treasurer of state (treasurer) to
28 establish or contract with one or more bullion depositories for
29 the secure storage of bullion, authorize one or more electronic
30 payment systems to facilitate transactions, and adopt rules
31 to implement the bill. Each bullion depository approved by
32 the treasurer must have a contractual relationship with each
33 electronic payment system that is authorized by the treasurer
34 and must insure each deposit under an insurance policy for the
35 full replacement of the deposit. A deposit made in a bullion

1 depository approved by the treasurer is the sole property of the
2 account holder.

3 The treasurer must submit an annual report to the general
4 assembly on approved bullion depositories, authorized electronic
5 payment systems, and the economic impact of recognizing specie as
6 legal tender.

7 The bill provides that transactional gold and silver shall
8 not be used by the state or a public entity as a mechanism for
9 surveillance or social credit scoring.

10 The bill states that a transaction entered into by a person
11 which involves the exchange of specie for some medium of exchange
12 other than specie shall not be subject to any sales, excise,
13 gross receipts, income, capital gains, or other form of tax or
14 public charge under the laws of this state. The purchase, sale,
15 or exchange of specie shall also not be subject to any sales,
16 excise, gross receipts, income, capital gains, or other form of
17 tax or charge authorized under the laws of this state.

18 The treasurer must implement the provisions of the bill by
19 July 1, 2027.