

**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:

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  
15 by the treasurer of state to operate a bullion depository or  
16 perform 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  
27 access to services, benefits, or opportunities based on an  
28 evaluation of 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  
31 or customarily used as currency.

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

1 value 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 treasurer.**

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

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

23 (3) Depository agents and contracted entities operate in  
24 the best interests of Iowa and the account holders of the  
25 bullion 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  
30 by each approved bullion depository, depository agent or  
31 contracted entity, authorized electronic payment system, and  
32 participating vendor of an authorized electronic payment  
33 system.

34 (6) The privacy of the bullion depository's account holders  
35 and the participants of each authorized electronic payment

1 system is protected, including by ensuring that transaction  
2 information is not shared with a person other than the account  
3 holder or participant without proper court authorization and is  
4 not used in a social credit scoring system.

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

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

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

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

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

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

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

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

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

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

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

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

33 3. The economic impact of recognizing specie as legal  
34 tender.

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

1 1. This chapter does not authorize a digital medium of  
2 exchange or a digital monetary unit of account that is issued  
3 by the board of governors of the federal reserve system, the  
4 United States, a state, a foreign country or jurisdiction, an  
5 intergovernmental organization, or a political subdivision of a  
6 state and that is either made directly available to a consumer  
7 or processed or validated directly by the issuer.

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

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

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

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

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

23 EXPLANATION

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

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

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

1 and must insure each deposit under an insurance policy for the  
2 full replacement of the deposit. A deposit made in a bullion  
3 depository approved by the treasurer is the sole property of  
4 the account holder.

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

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

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

21 The treasurer must implement the provisions of the bill by  
22 July 1, 2027.