

House Bill 430

By: Representative Franklin of the 43rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 7 of the Official Code of Georgia Annotated, relating to banking and finance,
2 so as provide a short title; to provide legislative findings; to define certain terms; to require
3 any bank or lending institution serving as a depository for the state or any department or
4 agency of the state to offer and to accept gold and silver coin for deposit; to amend Title 50
5 of the Official Code of Georgia Annotated, relating to state government, so as to provide
6 legislative findings; to define certain terms; to require the exclusive use of gold and silver
7 coin as tender in payment of debts by or to the state; to provide for related matters; to provide
8 an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 This Act shall be known and may be cited as the "Constitutional Tender Act."

12 style="text-align:center">**SECTION 2.**

13 Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is
14 amended by adding a new chapter to read as follows:

15 style="text-align:center">"CHAPTER 9

16 7-9-1.

17 The General Assembly finds and declares that sound, constitutionally based money is
18 essential to the livelihood of the people of this state, to the stability and growth of the
19 economy of this state and region, and vitally affects the public interest. The General
20 Assembly further finds that Article I, Section 10 of the United States Constitution provides
21 that no state shall make anything but gold and silver coin a tender in payment of debts.

22 7-9-2.

23 As used in this chapter, the term:

24 (1) 'Federal Reserve Accounting Unit Dollar accounts' means accounts based on federal
 25 reserve notes created by 12 U.S.C. Section 3, Subchapter XII.

26 (2) 'Gold eagle accounts' means accounts based on the weight in troy ounces of the gold
 27 content of gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C.
 28 Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

29 (3) 'Pre-1965 silver accounts' means accounts based on the face value of silver coins
 30 minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79
 31 Stat. 254), having a 90 percent silver composition and containing when minted
 32 approximately 0.7234 troy ounces of silver per dollar of face value.

33 (4) 'Silver eagle accounts' means accounts based on the weight in troy ounces of the
 34 silver content of silver coins minted by the United States Mint since 1986 pursuant to 31
 35 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

36 7-9-3.

37 Banks and lending institutions chartered by the state pursuant to this title, and any bank or
 38 lending institution serving as a depository for the state or any department or agency of the
 39 state, shall offer gold and silver coins minted by the United States to, and shall accept them
 40 for deposit from, the state and other customers.

41 7-9-4.

42 (a) Banks and lending institutions designated in Code Section 7-9-3 shall offer accounts
 43 denominated in:

44 (1) Federal Reserve Accounting Unit Dollar accounts;

45 (2) Pre-1965 silver accounts;

46 (3) Silver eagle accounts; and

47 (4) Gold eagle accounts.

48 (b) Accounts established as provided in subsection (a) of this Code section shall be
 49 segregated from all other types of currency. Withdrawals shall be made in the same
 50 currency as deposits."

51 **SECTION 3.**

52 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
 53 by adding a new chapter to read as follows:

54 "CHAPTER 3755 50-37-1.

56 The General Assembly finds that, as mandated by Article I, Section 10 of the United States
57 Constitution, the state shall not make anything but gold and silver coins as tender in
58 payment of debts. Federal Reserve Accounting Unit Dollars, having no redeeming value
59 in gold or silver coin, shall not be made a tender in payment of debts by the state.

60 50-37-2.

61 As used in this chapter, the term:

62 (1) 'Gold eagles' means gold coins minted by the United States Mint since 1986 pursuant
63 to 31 U.S.C. Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

64 (2) 'Pre-1965 silver coins' means silver coins minted by the United States Mint prior to
65 the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver
66 composition and containing when minted approximately 0.7234 troy ounces of silver per
67 dollar of face value.

68 (3) 'Silver eagles' means silver coins minted by the United States Mint since 1986
69 pursuant to 31 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

70 50-37-3.

71 Pre-1965 silver coins, silver eagles, and gold eagles shall be the exclusive medium which
72 the state shall use to make any payments whatsoever to any person or entity, whether
73 private or governmental. Such coins shall be the exclusive medium which the state shall
74 accept from any person or entity as payment of any obligation to the state including,
75 without limitation, the payment of taxes; provided, however, that other forms of currency
76 may be used in all other transactions within the state upon mutual consent of the parties of
77 any such transaction.

78 50-37-4.

79 The value of each coin used pursuant to Code Section 50-37-3 as payment of obligations
80 by and to the state shall be determined by the current market value of the silver or gold
81 content of each coin and not determined by the face value of each coin itself. The value
82 of the silver or gold content of each coin shall be equal to the most recent United States
83 dollar value set on the current business day by the London Silver Fixing Price and the
84 London Gold Fixing Price as of 10:30 A.M. Greenwich Mean Time and 15:00 P.M.
85 Greenwich Mean Time as follows:

86 (1) Silver eagles and gold eagles shall be valued at the current market value of the silver
87 or gold content of each coin; and
88 (2) Pre-1965 silver coins shall be valued at the current market value of the silver content
89 of each coin, multiplied times 0.715 of the face value of each coin.

90 50-37-5.

91 The coins used pursuant to Code Section 50-37-3 shall be accepted for deposit by banks
92 and lending institutions chartered by the state under Title 7 and by any bank or lending
93 institution serving as a depository for the state or any department or agency of the state.
94 Any such bank or lending institution may offer such coins to, and accept them for deposit
95 from, other customers.

96 50-37-6.

97 Checks or electronic transfers or payments drawn on pre-1965 silver accounts, silver eagle
98 accounts, and gold eagle accounts as such accounts are defined in Code Section 7-9-2 and
99 in accordance with Code Section 7-9-4 shall be deemed to satisfy the United States
100 Constitution's requirement that payment of obligations by the state be made only in gold
101 or silver coin and shall be deemed to satisfy the requirement of Code Section 50-37-3 for
102 payment of obligations owed to the state."

103 **SECTION 4.**

104 This Act shall become effective on January 1, 2010.

105 **SECTION 5.**

106 All laws and parts of laws in conflict with this Act are repealed.