

Senate Bill 424

By: Senators Harbin of the 16th, Anavitarte of the 31st, Summers of the 13th, Brass of the 6th, Burns of the 23rd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5A of Title 50 of the Official Code of Georgia Annotated, relating to the
2 Office of State Treasurer, so as to provide for gold and silver specie as legal tender; to
3 provide for a bullion depository; to provide for an electronic payment system; to provide for
4 guidelines, rules and regulations; to provide for insured deposits; to prohibit social credit
5 scoring systems; to provide for annual reports; to prohibit taxation of transactions involving
6 gold and silver specie and legal tender; to provide for an implementation date; to provide for
7 construction; to provide for legislative findings; to provide for definitions; to provide for a
8 short title; to provide for an effective date; to provide for related matters; to repeal conflicting
9 laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Transactional Gold and Silver Act."

13

SECTION 2.

14 Chapter 5A of Title 50 of the Official Code of Georgia Annotated, relating to the Office of
15 State Treasurer, is amended by designating Code Sections 50-5A-1 through 50-5A-11 as
16 Article 1.

17

SECTION 3.

18 Said chapter is further amended by adding a new article to read as follows:

19

"Article 2

20 50-5A-20.

21 The General Assembly finds that:

22 (1) Several states have introduced or enacted legislation recognizing transactional gold
23 and silver;

24 (2) The use of gold and silver as legal tender has a historical basis in fostering economic
25 stability and individual liberty;

26 (3) The United States Constitution under Article I, Section 10, allows for the states to
27 declare gold and silver as legal tender for use in the payment of debts, taxes, fees, and
28 other obligations;

29 (4) Recognizing gold and silver as legal tender promotes economic justice by allowing
30 citizens of every economic status access to the ability to preserve their wealth by hedging
31 against inflation with precious metals;

32 (5) Establishing mechanisms for the use of gold and silver as legal tender in transactions
33 enhances this state's economic resilience;

34 (6) Allowing for the use of gold and silver as legal tender provides individuals and
35 businesses within this state an alternative option for preserving and exchanging wealth;

36 (7) Transactional gold and silver constitutes voluntary, opt in mediums of exchange held
37 in physical form; and

38 (8) This state shall not construe transactional gold and silver as central bank digital
39 currency, nor use transactional gold and silver as a mechanism for surveillance, social
40 credit scoring, behavioral conditioning, or any form of social or economic control.

41 50-5A-21.

42 As used in this article, the term:

43 (1) 'Bullion depository' means an entity that provides vault facilities within the United
44 States for the storage of gold and silver bullion, provides accounts that hold gold and
45 silver bullion, and allows account holders to buy, sell, save, or spend gold and silver
46 bullion.

47 (2) 'Commission' means the Bullion Depository Commission.

48 (3) 'Depository agent' means an entity authorized by the commission to operate a bullion
49 depository or perform related services under this article.

50 (4) 'Electronic payment system' means an electronic platform or payment system that
51 enables participating vendors to receive and process a payment from an account holder
52 of a bullion depository using gold and silver specie held in the bullion depository as the
53 basis of the payment transaction.

54 (5) 'Gold and silver bullion' means refined precious gold or silver metal that is in any
55 shape or form, valued primarily based on its metal content, not its form or function, and
56 includes, but is not limited to, gold and silver coin.

57 (6) 'Gold and silver coin' means gold or silver metal in bars or other physical form that
58 are coined, stamped, or imprinted with its weight and purity.

59 (7) 'Gold and silver specie' means gold or silver bullion that has intrinsic value and is
60 used or is intended to be used as legal tender.

61 (8) 'Legal tender' means a recognized medium of exchange for the payment of debts,
62 taxes, fees, and other obligations.

63 (9) 'Person' means any natural or artificial person, including, but not limited to
64 individuals, partnerships, associations, trusts, or corporations; this state; or any political
65 subdivision of this state.

66 (10) 'Social credit scoring system' means a system of record keeping, data collection, or
67 scoring that:

68 (A) Evaluates, monitors, or ranks a person's behavior, beliefs, associations, or
69 compliance with government or corporate standards; and

70 (B) Conditions access to services, benefits, or opportunities based on such evaluation,
71 monitoring, or ranking.

72 (11) 'Transactional gold and silver' means a representation in the exact units of metal in
73 fractional troy ounces or grams of physical gold and silver bullion that:

74 (A) May be transferred through electronic or written instruction by the owner;

75 (B) May be used to make or receive payments, or to transfer value, within this state or
76 between parties who consent to its use; and

77 (C) Is fully backed by gold and silver specie held in a bullion depository and
78 redeemable on demand by the account holder of the gold and silver bullion or gold and
79 silver specie.

80 50-5A-22.

81 (a) There is created the Bullion Depository Commission which shall consist of six
82 members as follows:

83 (1) Five voting members who shall serve six-year terms, except as provided in
84 paragraph (1) of subsection (b) of this Code section, to be appointed as follows:

85 (A) One member shall be appointed by the Governor;

86 (B) Two members shall be appointed by the President of the Senate; and

87 (C) Two members shall be appointed by the Speaker of the House of Representatives;
88 and

89 (2) The state treasurer, or his or her designee, who shall be a nonvoting member.

90 (b)(1) Members initially appointed pursuant to paragraph (1) of subsection (a) shall serve
91 staggered terms of office as follows:

92 (A) The President of the Senate and Speaker of the House of Representatives shall each
93 appoint one member for a four-year term of office; and

94 (B) After the initial appointments, such members shall be appointed to serve six-year
95 terms of office.

96 (2) All vacancies for an unexpired term shall be filled by the original appointing official.

97 (c) The commission shall elect a chairperson from among its members. A quorum for
98 transacting business shall be a majority of the members of the commission.

99 (d) All members of the commission shall serve without compensation, but shall be
100 reimbursed for their actual and necessary expenses incurred in the performance of official
101 commission business as provided in Code Section 45-7-20.

102 (e) The commission shall have the authority to employ as many persons as it deems
103 necessary for the administration of the commission and for the discharge of its duties. It
104 shall have the authority to employ, assign, compensate, and discharge employees of the
105 commission within the limitations of the commission's appropriations and the restrictions
106 set forth by law.

107

108 50-5A-23.

109 The commission, shall promulgate guidelines for bullion depositories that are consistent
110 with industry best practices.

111 50-5A-24.

112 Gold and silver coin shall be certified to be:

113 (1) At least 99.5 percent pure for gold metal; and

114 (2) At least 99.9 percent pure for silver metal.

115 50-5A-25.

116 (a) Gold and silver specie shall be recognized as legal tender in this state.

117 (b) Gold and silver specie may be used as legal tender for the payment of:

118 (1) Debts between private parties, if such parties consent to the use of gold and silver
119 specie as payment for such debts; and

120 (2) Taxes, fees, or other obligations owed to this state or a political subdivision of this
121 state if this state or such political subdivision agrees to accept gold and silver specie as
122 payment for such taxes, fees, or obligations.

123 (c) No person shall be required to accept gold or silver specie as payment.

124 50-5A-26.

125 (a) The commission, shall promulgate rules and regulations to:

126 (1) Establish or designate one or more bullion depositories for the secure storage of gold
127 and silver bullion to facilitate transactions made pursuant to this article;

128 (2) Authorize one or more electronic payment systems to facilitate transactions made
129 pursuant to this article; and

130 (3) Implement this article consistent with applicable state and federal laws and
131 regulations.

132 (b) The commission, may:

133 (1)(A) Operate a bullion depository directly; or

134 (B) Contract with a depository agent to operate a bullion depository; and

135 (2) Contract with an entity to develop or operate an electronic payment system.

136 (c) The rules and regulations established pursuant to this Code section shall ensure:

137 (1) The bullion depository is:

- 138 (A) Secure;
139 (B) Transparent to account holders; and
140 (C) Accessible for use by any person;
141 (2) The electronic payment system is:
142 (A) Reliable; and
143 (B) Complies with applicable state and federal laws and rules and regulations
144 promulgated pursuant to this article;
145 (3) Any depository agent or contracted entity operates in the best interests of this state
146 and the account holders of the bullion depository;
147 (4) The bullion depository regularly verifies:
148 (A) The gold and silver bullion held by such depository; and
149 (B) The depository's compliance with this article;
150 (5) Electronic payment systems and any participating vendors are:
151 (A) Authorized to do business in this state; and
152 (B) Compliant with state and federal money transmitter laws;
153 (6) Appropriate fraud prevention measures are implemented by:
154 (A) The bullion depository;
155 (B) Any depository agent or contracted entity;
156 (C) The electronic payment system; and
157 (D) Each vendor of the electronic payment system; and
158 (7) The privacy of the bullion depository's account holders and the participants of the
159 electronic payment system, including, but not limited to, transaction information. Such
160 transaction information shall not be:
161 (A) Shared with any person other than the account holder or participant of the
162 electronic payment system without court authorization; or
163 (B) Used for a social credit scoring system.

164 50-5A-27.

165 The bullion depository shall utilize the electronic payment system to provide services for
166 deposits of gold and silver bullion.

167 50-5A-28.

168 The bullion depository shall insure all deposits under an all risk nongovernmental
169 insurance policy for 100 percent of the full replacement value of such deposit.

170 50-5A-29.

171 A deposit made in a bullion depository shall be the sole property of the account holder and
172 shall not be subject to appropriation without due process of law.

173 50-5A-30.

174 Beginning July 1, 2028, and annually thereafter, the commission shall submit an annual
175 report to the General Assembly. Such report shall detail the:

176 (1) Status and operations of the bullion depository;

177 (2) Implementation and usage of the electronic payment system; and

178 (3) Economic impact of recognizing gold and silver specie as legal tender.

179 50-5A-31.

180 The commission shall implement the provisions of this article no later than January 1,
181 2028.

182 50-5A-32.

183 Nothing within this article shall be construed to authorize, endorse, create, or implement:

184 (1) A central bank digital currency; or

185 (2) Any mechanism for surveillance, social credit scoring, behavioral conditioning, or
186 any other form of social or economic control.

187 50-5A-33.

188 (a) The exchange of any gold and silver specie as legal tender shall not give rise to tax
189 liability.

190 (b) The purchase, sale, or exchange of any gold and silver specie shall not give rise to tax
191 liability."

192 **SECTION 4.**

193 This Act shall become effective upon its approval by the Governor or upon its becoming law
194 without such approval.

195 **SECTION 5.**

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