

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

<b>BILL #:</b> <a href="#">HB 999</a>	<b>COMPANION BILL:</b> <a href="#">SB 132</a> (Rodriguez)
<b>TITLE:</b> Gold and Silver Specie as Legal Tender	<b>LINKED BILLS:</b> None
<b>SPONSOR(S):</b> Bankson	<b>RELATED BILLS:</b> None

### Committee References

[Insurance & Banking](#)

16 Y, 0 N



[Ways & Means](#)

19 Y, 0 N



[Commerce](#)

## SUMMARY

### Effect of the Bill:

The bill recognizes gold and silver coins ("specie") as legal tender in Florida and establishes a regulatory framework for their use in transactions. The bill exempts specie from personal property taxation and state tax liability while allowing, but not requiring, government entities to accept it for payments. Additionally, the bill includes privacy protections for users of precious metals-backed electronic payment systems and directs the Office of Financial Regulation to set rules on security, insurance, and fraud prevention.

### Fiscal or Economic Impact:

The Revenue Estimating Conference has not estimated the impact of this bill on state and local government revenues. Staff estimates that this bill will have a recurring impact of -\$1.6 million on General Revenue and -\$0.6 million on local government revenues beginning in Fiscal Year 2025-26.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill recognizes gold and silver coins ("specie") as legal tender in Florida and establishes a regulatory framework for the use of specie in transactions and payments. Additionally, the bill defines terms, including "bullion," "bullion depository," "precious metals-backed electronic payment system," and "specie legal tender," and sets requirements for bullion depositories, including accreditation by the London Bullion Market Association and maintaining vault facilities in Florida. (Section [1](#)).

The bill provides that specie legal tender is lawful money for the payment of debts, taxes, and fees if the government entity consents and is capable of accepting such payments. It also prohibits taxing or regulating specie as personal property, and prevents state tax liability for the purchase, sale, exchange, or conversion of specie. However, acceptance of specie in transactions cannot be compelled unless otherwise required by the State Constitution, law, or contract. (Section [1](#)).

Further, the bill creates privacy protections for account holders using [precious metals-backed electronic payment systems](#), restricting the disclosure of personal and transactional data except with consent or under court order with proper notice. (Section [1](#)).

The bill directs the Office of Financial Regulation (OFR) to adopt rules relating to vendor payment options, insurance of bullion deposits, physical storage requirements, security measures, allocation of account fees, and fraud prevention. (Section [1](#)).

The effective date of the bill is July 1, 2025. (Section [2](#)).

**STORAGE NAME:** h0999c.WMC

**DATE:** 4/2/2025

## **RULEMAKING:**

The bill requires the OFR to adopt rules to implement provisions related to the operation of vendors and bullion depositories, including provisions for insurance of deposits and security measures for the storage of bullion and specie.<sup>1</sup>

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

## **FISCAL OR ECONOMIC IMPACT:**

### **STATE GOVERNMENT:**

The Revenue Estimating Conference has not estimated the impact of this bill. Staff estimates that this bill will have a recurring impact of -\$1.6 million on General Revenue beginning in Fiscal Year 2025-26.

### **LOCAL GOVERNMENT:**

The Revenue Estimating Conference has not estimated the impact of this bill. Staff estimates that this bill will have a recurring impact of -\$0.6 million on local government revenues beginning in Fiscal Year 2025-26 from the total exemption of sales tax on the sales of bullion.

## **RELEVANT INFORMATION**

### **SUBJECT OVERVIEW:**

#### **Legal Tender and Specie under Federal and State Law**

Under Article I, Section 10, Clause 1 of the United States Constitution, states are prohibited from coining money but are expressly authorized to "make gold and silver coin a tender in payment of debts."<sup>2</sup> This provision authorizes states to recognize gold and silver coin as legal tender for the payment of debts and taxes but prohibits states from creating or issuing their own currencies or recognizing other forms of money as tender.<sup>3</sup> In contrast, Article I, Section 8, Clause 5 of the U.S. Constitution grants Congress the exclusive power to coin money and regulate its value.<sup>4</sup> However, Congress has not preempted state authority to recognize specie as legal tender for state and private transactions.

Under 31 U.S.C. § 5103, only United States coins and currency (including Federal Reserve notes) are recognized as legal tender for the payment of debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts under federal law, though they may be lawfully bought, sold, and owned as commodities or investment assets.<sup>5</sup> However, a state may choose to recognize gold and silver coins as legal tender within its jurisdiction, though such coins would not have national legal tender status.

### **Tax Treatment of Specie and Bullion**

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<sup>1</sup> The Office of Financial Regulation, Agency Analysis of 2025 HB 999, p. 2 (March 13, 2025).

<sup>2</sup> U.S. Const. art. 1. § 10. Cl. 1.

<sup>3</sup> *Id.*

<sup>4</sup> U.S. Const. art. 1. § 8. Cl. 5.

<sup>5</sup> 31 U.S.C. § 5103

## Federal Taxation

At the federal level, gold and silver coins and bullion are classified as "collectibles" under 26 U.S.C. § 408(m), and gains from their sale are subject to a maximum long-term capital gains tax rate of 28%.<sup>6</sup> The Internal Revenue Code defines "collectible" to include "any metal or gem" and "any coin" not specifically exempted.<sup>7</sup>

## Florida Taxation

Florida provides a limited sales tax exemption for sales of U.S. coins and currency and for foreign currency transactions exceeding \$500.<sup>8</sup> Additionally, Florida provides a limited sales tax exemption on the sale of gold, silver, or platinum bullion, or any combination thereof, in a single transaction, is exempt when the total sales price of such bullion exceeds \$500.<sup>9</sup> Florida law does not provide a state-level exemption for capital gains derived from the sale of gold and silver, as Florida does not impose a personal state income tax.<sup>10</sup>

Florida law does not explicitly address whether precious metals should be classified as tangible personal property subject to ad valorem taxation, although the statutory definition of tangible personal property includes "all goods, chattels, and other articles of value... capable of manual possession."<sup>11</sup> Tangible personal property includes office furniture, fixtures, tools, machinery, household appliances, signs, equipment, leasehold improvements, supplies, leased equipment, and other similar items.<sup>12</sup>

## **Other States' Treatment of Specie and Bullion**

Several states have adopted laws to recognize gold and silver as legal tender or to remove various tax barriers to facilitate their use in commerce. These laws vary in scope and effect, ranging from simple tax exemptions to the establishment of state-run bullion depositories.

- Utah was the first state to recognize U.S.-minted gold and silver coins as legal tender through its Legal Tender Act of 2011. Utah law also provides a tax exemption for capital gains derived from the sale or exchange of gold and silver coins that are recognized as legal tender. In addition, Utah permits private firms to operate accounts backed by physical precious metals, which allows individuals to conduct transactions denominated in gold and silver.<sup>13</sup>
- Texas has established a state-operated bullion depository, known as the Texas Bullion Depository, to securely store precious metals for individuals, businesses, and governmental entities. The depository provides secure storage and the ability for account holders to deposit and withdraw physical bullion. Although Texas law enables secure in-state storage of precious metals, it does not authorize gold and silver as official legal tender for payment of state taxes or other obligations.<sup>14</sup>
- Wyoming enacted legislation in 2018 declaring gold and silver legal tender and exempting the sale of these metals from state sales and use taxes. Wyoming law also prohibits the treatment of specie as taxable tangible personal property, effectively removing several barriers to the private holding and use of gold and silver for commerce.<sup>15</sup>

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<sup>6</sup> "Form S-3" Securities and Exchange Commission, 27. Feb. 2025, P. 42, <https://www.sec.gov/Archives/edgar/data/1690437/000149315225008435/forms-3.htm>

<sup>7</sup> 26 U.S.C. § 408(m)(2)(A)-(D).

<sup>8</sup> [s. 212.05\(1\)\(j\), F.S.](#)

<sup>9</sup> [s. 212.08\(7\)\(ww\), F.S.](#)

<sup>10</sup> Art. VII, s. 5(a), Fla. Const.

<sup>11</sup> [s. 192.001\(11\)\(d\), F.S.](#)

<sup>12</sup> [Rule 12D-16.002, F.A.C., Tangible Personal Property Tax Return](#) (DR-405). The return includes these specific categories as taxable items.

<sup>13</sup> Utah Code §§ 59-1-1501 et seq.; H.B. 317 (2011). See also *Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 122. February 28, 2025.

<sup>14</sup> Tex. Gov't Code § 2116; S.B. 483 (2015). See also *Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 116. February 28, 2025.

<sup>15</sup> Wyo. Stat. §§ 34-29-101 to 34-29-103; SF111 (2018). See also *Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 128. February 28, 2025.

- Arizona has removed state capital gains taxes on sales of precious metals and has authorized gold and silver coins as legal tender for private transactions. Like Wyoming, Arizona's approach focuses on tax treatment rather than establishing state-operated depositories or payment systems.<sup>16</sup>

Other states, such as Oklahoma, Louisiana, Kansas, and Indiana, have adopted various forms of tax exemptions related to the sale or exchange of gold and silver bullion, though these laws do not necessarily recognize precious metals as legal tender or create infrastructure to support their use as a medium of exchange.<sup>17</sup>

While these states have taken steps to encourage the use of gold and silver by removing tax barriers and recognizing their status as lawful money in specific contexts, no state currently operates a fully integrated, government-supported electronic payment system backed by physical precious metals that is recognized for payment of all state taxes, fees, or other obligations. Most existing laws focus on facilitating private holding and exchange of gold and silver, and on removing disincentives such as sales and capital gains taxes, rather than creating comprehensive alternative currency systems.<sup>18</sup>

### Precious Metals-Backed Electronic Payment Systems

Precious metals-backed electronic payment systems are digital platforms that allow users to store and transact using units backed by physical precious metals, primarily gold and silver.<sup>19</sup> These systems typically allow users to maintain accounts denominated in gold or silver, and to spend from those accounts using debit cards or mobile applications.<sup>20</sup>

Such systems rely on physical bullion stored in secure vaults, often accredited by international organizations that set industry standards. Users may conduct transactions based on their bullion holdings and may redeem their digital balances for physical delivery of gold or silver.<sup>21</sup> While these systems offer an alternative to traditional fiat currency (government-issued currency that is not backed by a physical commodity) transactions, they are typically not insured by the Federal Deposit Insurance Corporation and are subject to various state and federal regulatory requirements, including anti-money laundering, cybersecurity, and fraud prevention measures.<sup>22</sup>

### RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	697	Bankson and LaMarca	Martin	The bill died in the State Affairs Committee.

<sup>16</sup> Ariz. Rev. Stat. § 43-1027. See also *Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 102. February 28, 2025.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 14, 20, 22-23.

<sup>19</sup> See generally H.B. 306, 65th Leg., Gen. Sess. (Utah 2025), <https://le.utah.gov/Session/2025/bills/introduced/HB0306.pdf>; Christian Bender, *A Gold Standard for the Internet? An Introductory Assessment*, 11 *Electronic Markets* p. 123 (2001), [https://electronicmarkets.org/fileadmin/user\\_upload/doc/Issues/Volume\\_11/Issue\\_02/V1112\\_A\\_Gold\\_Standard\\_for\\_the\\_Internet-An\\_Introductory\\_Assessment.pdf](https://electronicmarkets.org/fileadmin/user_upload/doc/Issues/Volume_11/Issue_02/V1112_A_Gold_Standard_for_the_Internet-An_Introductory_Assessment.pdf).

<sup>20</sup> Bender, *supra* note 1, at 122.

<sup>21</sup> See generally London Bullion Market Ass'n, *LBMA Launches Digital Database for Gold Bars to Improve Transparency*, Reuters (Jan. 29, 2025), <https://www.reuters.com/markets/commodities/london-bullion-association-launches-digital-database-gold-bars-2025-01-29/>; *Digital Gold: Understanding Cryptocurrency Backed by Physical Gold*, BlockApps (2023), <https://blockapps.net/blog/digital-gold-understanding-cryptocurrency-backed-by-physical-gold>.

<sup>22</sup> Lael Brainard, Governor, Bd. of Governors of the Fed. Rsr. Sys., *The Digitalization of Payments and Currency: Some Issues for Consideration* (Feb. 5, 2020), <https://www.federalreserve.gov/newsevents/speech/brainard20200205a.htm>.

**BILL HISTORY**

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Insurance &amp; Banking Subcommittee</a>	16 Y, 0 N	3/20/2025	Hamon	Herrera
<a href="#">Ways &amp; Means Committee</a>	19 Y, 0 N	4/2/2025	Aldridge	Hallaian
<a href="#">Commerce Committee</a>				