

Precious Metals Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

LONG TITLE**General Description:**

This bill enacts and modifies provisions relating to state investment in gold and the establishment of a gold-backed digital payment system.

Highlighted Provisions:

This bill:

- extends and adds a sunset date to the state treasurer's precious metals study requirement;
- requires the state treasurer to develop and issue a request for proposals for a precious metals-backed electronic payment system;
- establishes requirements for the request for proposals;
- requires the state treasurer to evaluate proposals; and
- requires annual reporting to the Revenue and Taxation Interim Committee.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63I-1-267, as last amended by Laws of Utah 2024, Chapter 385

67-4-19, as enacted by Laws of Utah 2024, Chapter 492

ENACTS:

67-4-20, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63I-1-267** is amended to read:

63I-1-267 . Repeal dates: Title 67.

(1) Section 67-1-8.1, Executive Residence Commission -- Recommendations as to use, maintenance, and operation of executive residence, is repealed July 1, 2027.

(2) Section 67-1-15, Approval of international trade agreement -- Consultation with Utah

International Relations and Trade Commission, is repealed December 31, 2027.

(3) Section 67-3-11, Health care price transparency tool -- Transparency tool requirements, is repealed July 1, 2024.

(4) Subsection 67-4-19(3), regarding an annual study conducted by the state treasurer on the role of precious metals in augmenting, stabilizing, and ensuring the economic security and prosperity of the state, is repealed July 1, 2028.

(5) Title 67, Chapter 5a, Utah Prosecution Council, is repealed July 1, 2027.

Section 2. Section **67-4-19** is amended to read:

67-4-19 . Investments of public funds in precious metals by state treasurer -- Precious metals study and report to Legislature.

(1) As used in this section, "precious metal" means the same as that term is defined in Section 61-1-13.

(2)(a) Subject to Subsection (2)(b), the state treasurer may invest a portion of public funds in the following accounts in precious metals:

(i) the State Disaster Recovery Restricted Account, created in Section 53-2a-603;

(ii) the General Fund Budget Reserve Account, created in Section 63J-1-312;

(iii) the Income Tax Fund Budget Reserve Account, created in Section 63J-1-313; and

(iv) the Medicaid Growth Reduction and Budget Stabilization Account, created in Section 63J-1-315.

(b)(i) The amount of public funds that the state treasurer may invest in precious metals in an account described in Subsection (2)(a) may not, at the time the investment is made, exceed 10% of the total amount of public funds in that account.

(ii) The requirements of Subsections 51-7-14(2) and (3) apply to the state treasurer's investments in precious metals under Subsection (2)(a).

(iii) Any public funds in an account described in Subsection (2)(a) not invested by the state treasurer in precious metals under this Subsection (2) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

(3) The state treasurer shall:

(a) conduct [a] an ongoing study analyzing the role of precious metals in augmenting, stabilizing, and ensuring the economic security and prosperity of the state, the families and residents of the state, and businesses in the state; and

(b) submit to the Revenue and Taxation Interim Committee [~~on or before the committee's 2024~~] annually at or before the October interim committee meeting any

recommendations for legislation resulting from the ~~[outcome of]~~ the study conducted under Subsection (3)(a).

Section 3. Section **67-4-20** is enacted to read:

67-4-20 . Alternative precious metals-backed electronic payment system.

(1) As used in this section:

- (a) "Participating state entity" means a state entity that opts to use the precious metals-backed electronic payment system for receiving payments or making disbursements.
- (b) "Precious metals-backed electronic payment system" means an electronic payment system that:
 - (i) uses gold or silver held in vault facilities within the state as backing for electronic transactions; and
 - (ii) allows for the redemption of physical gold or silver by system participants.

(2) The state treasurer shall:

- (a) develop and issue a request for proposals to create, supply, and operate a precious metals-backed electronic payment system for the state;
- (b) evaluate proposals based on security, efficiency, and cost-effectiveness;
- (c) select a service provider to implement, operate, and maintain the precious metals-backed electronic payment system;
- (d) establish policies and procedures for the use of the precious metals-backed electronic payment system by participating state entities;
- (e) establish reasonable parameters to enable the redemption of physical gold or silver by participants in the precious metals-backed electronic payment system;
- (f) ensure that the precious metals-backed electronic payment system complies with all applicable provisions of Title 51, Chapter 7, State Money Management Act;
- (g) consult with the State Tax Commission on potential tax implications of the precious metals-backed electronic payment system;
- (h) evaluate the options and implications for allowing state employees to receive compensation through the precious metals-backed electronic payment system; and
- (i) report annually to the Revenue and Taxation Interim Committee on the status and performance of the precious metals-backed electronic payment system.

(3) The request for proposals described in Subsection (2) shall require that the precious metals-backed electronic payment system:

- (a) uses gold or silver vaulted within the state;

- 100 (b) allows for the redemption of physical gold or silver by system participants;
101 (c) includes technology and software held in escrow for state access; and
102 (d) complies with all applicable state and federal laws and regulations.
103 (4) Nothing in this section shall be construed to:
104 (a) require any state entity to participate in the precious metals-backed electronic
105 payment system; or
106 (b) prevent the state from using other forms of payment or currency for the state's
107 operations.

108 Section 4. **Effective Date.**

109 This bill takes effect on May 7, 2025.