Precious Metals Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: Keith Grover

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 competitive procurement 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:

This bill appropriates $146,800 in operating and capital budgets for fiscal year 2026, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63I-1-267 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter 385

67-4-19 (Effective 05/07/25), as enacted by Laws of Utah 2024, Chapter 492

ENACTS:

67-4-20 (Effective 05/07/25), 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 (Effective 05/07/25). 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Executive Residence Commission -- Recommendations as to use, maintenance, and operation of executive residence, is repealed July 1, 2027.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Approval of international trade agreement -- Consultation with Utah International Relations and Trade Commission, is repealed December 31, 2027.

(3) Section 67-3-11, Health care price transparency tool -- Transparency tool requirements, is repealed July 1, 2024.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role of precious metals in augmenting, stabilizing, and ensuring the economic security and prosperity of the state, is repealed July 1, 2027.

(5) Title 67, Chapter 5a, Utah Prosecution Council, is repealed July 1, 2027.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 (Effective 05/07/25). 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 an annual 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 recommendations for legislation resulting from the study described in Subsection (3)(a) to the Revenue and Taxation Interim Committee on or before the committee's annual October interim committee meeting.

[~~(3) The state treasurer shall:~~]

[~~(a) conduct a 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 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 (Effective 05/07/25). Alternative precious metals-backed electronic payment system.

(1) As used in this section:

(a) "Participating vendor" means a vendor that opts to receive payment from the state through the precious metals-backed electronic payment system.

(b) "Precious metals-backed electronic payment system" means an electronic payment system that:

(i) uses physical gold or silver held in vault facilities within the state as backing for electronic transactions;

(ii) allows for the redemption of physical gold or silver by system participants; and

(iii) enables the state to make payments to a participating vendor.

(c)(i) "System participant" means an individual or entity that:

(A) maintains an account within the precious metals-backed electronic payment system;

(B) conducts transactions using the precious metals-backed electronic payment system; or

(C) holds redemption rights for precious metals within the system.

(ii) "System participant" includes participating vendors.

(2) The state treasurer shall:

(a) in consultation with the Department of Finance, develop and issue a competitive procurement 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 reasonable parameters to enable the redemption of precious metals by system participants;

(e) ensure that the precious metals-backed electronic payment system complies with all applicable provisions of Title 51, Chapter 7, State Money Management Act;

(f) consult with the State Tax Commission on potential tax implications of the precious metals-backed electronic payment system;

(g) evaluate the options and implications for allowing state employees to receive compensation through the precious metals-backed electronic payment system; and

(h) report annually to the Revenue and Taxation Interim Committee on the status and performance of the precious metals-backed electronic payment system.

(3) The Department of Finance shall:

(a) establish policies and procedures for the use of the precious metals-backed electronic payment system by participating vendors;

(b) provide for integration into the statewide accounting system; and

(c) evaluate the options and implications for allowing state employees to receive compensation through the precious metals-backed electronic payment system.

(4) The competitive procurement described in Subsection (2) shall require that the precious metals-backed electronic payment system:

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

(b) allows for the redemption of physical gold or silver by system participants;

(c) is made publicly available; and

(d) complies with all applicable state and federal laws and regulations.

(5) Nothing in this section shall be construed to:

(a) require any vendor to participate in the precious metals-backed electronic payment system;

(b) require any state entity to participate in the precious metals-backed electronic payment system; or

(c) prevent the state from using other forms of payment or currency for the state's operations.

Section 4. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for fiscal year 2026.

Subsection 4(a). **Operating and Capital Budgets**

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1 To Department of Government Operations - Division of Finance		
From General Fund, One-time		50,000
From Expendable Receipts, One-time		146,800
Schedule of Programs:		
Financial Information Systems	193,700	
Payables/Disbursing	3,100	

The Legislature intends that: (1) no state funds shall be expended for the purpose of the development of a precious metals payment system prior to the acquisition of expendable receipts by the Division of Finance from a contracted non-state entity with expertise in precious metals transactions; and (2) the cost of integration of the precious metals-backed electronic payment system shall not exceed $50,000 of state funds, with any remaining costs to be funded through donations or other non-state sources

ITEM 2 To Office of the State Treasurer - State Treasurer		
From General Fund, One-time		(50,000)
Schedule of Programs:		
Treasury and Investment	(50,000)	

Section 5. **Effective Date.**

<u>This bill takes effect on May 7, 2025.</u>