

Keith Grover proposes the following substitute bill:

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:

29 **63I-1-267 (Effective 05/07/25). Repeal dates: Title 67.**

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31 maintenance, and operation of executive residence, is repealed July 1, 2027.

32 (2) Section 67-1-15, Approval of international trade agreement -- Consultation with Utah
33 International Relations and Trade Commission, is repealed December 31, 2027.

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35 is repealed July 1, 2024.

36 (4) Subsection 67-4-19(3), regarding an annual study conducted by the state treasurer on
37 the role of precious metals in augmenting, stabilizing, and ensuring the economic
38 security and prosperity of the state, is repealed July 1, 2027.

39 (5) Title 67, Chapter 5a, Utah Prosecution Council, is repealed July 1, 2027.

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

41 **67-4-19 (Effective 05/07/25). Investments of public funds in precious metals by**
42 **state treasurer -- Precious metals study and report to Legislature.**

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

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

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

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

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

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

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

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

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

61 (3) The state treasurer shall:

62 (a) conduct an annual study analyzing the role of precious metals in augmenting,

63 stabilizing, and ensuring the economic security and prosperity of the state, the
 64 families and residents of the state, and businesses in the state; and
 65 (b) submit recommendations for legislation resulting from the study described in
 66 Subsection (3)(a) to the Revenue and Taxation Interim Committee on or before the
 67 committee's annual October interim committee meeting.

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

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

72 [~~(b) submit to the Revenue and Taxation Interim Committee on or before the~~
 73 ~~committee's 2024 October interim committee meeting any recommendations for~~
 74 ~~legislation resulting from the outcome of the study conducted under Subsection (3)(a).]~~

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

76 **67-4-20 (Effective 05/07/25). Alternative precious metals-backed electronic**
 77 **payment system.**

78 (1) As used in this section:

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

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

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

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

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

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

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

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

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

93 (ii) "System participant" includes participating vendors.

94 (2) The state treasurer shall:

95 (a) in consultation with the Department of Finance, develop and issue a competitive
 96 procurement to create, supply, and operate a precious metals-backed electronic

- 97 payment system for the state;
- 98 (b) evaluate proposals based on security, efficiency, and cost-effectiveness;
- 99 (c) select a service provider to implement, operate, and maintain the precious
- 100 metals-backed electronic payment system;
- 101 (d) establish reasonable parameters to enable the redemption of precious metals by
- 102 system participants;
- 103 (e) ensure that the precious metals-backed electronic payment system complies with all
- 104 applicable provisions of Title 51, Chapter 7, State Money Management Act;
- 105 (f) consult with the State Tax Commission on potential tax implications of the precious
- 106 metals-backed electronic payment system;
- 107 (g) evaluate the options and implications for allowing state employees to receive
- 108 compensation through the precious metals-backed electronic payment system; and
- 109 (h) report annually to the Revenue and Taxation Interim Committee on the status and
- 110 performance of the precious metals-backed electronic payment system.
- 111 (3) The Department of Finance shall:
- 112 (a) establish policies and procedures for the use of the precious metals-backed electronic
- 113 payment system by participating vendors;
- 114 (b) provide for integration into the statewide accounting system; and
- 115 (c) evaluate the options and implications for allowing state employees to receive
- 116 compensation through the precious metals-backed electronic payment system.
- 117 (4) The competitive procurement described in Subsection (2) shall require that the precious
- 118 metals-backed electronic payment system:
- 119 (a) uses gold or silver vaulted within the state;
- 120 (b) allows for the redemption of physical gold or silver by system participants;
- 121 (c) is made publicly available; and
- 122 (d) complies with all applicable state and federal laws and regulations.
- 123 (5) Nothing in this section shall be construed to:
- 124 (a) require any vendor to participate in the precious metals-backed electronic payment
- 125 system;
- 126 (b) require any state entity to participate in the precious metals-backed electronic
- 127 payment system; or
- 128 (c) prevent the state from using other forms of payment or currency for the state's
- 129 operations.
- 130 **Section 4. FY 2026 Appropriations.**

131 The following sums of money are appropriated for the fiscal year beginning July 1,
 132 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
 133 fiscal year 2026.

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

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

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

144 The Legislature intends that:

145 (1) no state funds shall be expended for the
 146 purpose of the development of a precious metals payment
 147 system prior to the acquisition of expendable receipts by
 148 the Division of Finance from a contracted non-state
 149 entity with expertise in precious metals transactions; and
 150 (2) the cost of integration of the precious
 151 metals-backed electronic payment system shall not
 152 exceed \$50,000 of state funds, with any remaining costs
 153 to be funded through donations or other non-state sources

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

158 Section 5. **Effective Date.**

159 (1) Except as provided in Subsection (2), this bill takes effect May 7, 2025.
 160 (2) The actions affecting Section approp (Effective 01/15/35) take effect on January 15,
 161 2035.