

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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

BILL #: [CS/HB 999](#)

TITLE: Legal Tender

SPONSOR(S): Bankson, LaMarca

COMPANION BILL: [CS/CS/SB 132](#) (Rodriguez)

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 113 Y's 0 N's

GOVERNOR'S ACTION: Approved

SUMMARY

Effect of the Bill:

The bill establishes a legal framework recognizing certain gold coin and silver coin as legal tender in Florida for payments of debts incurred on or after July 1, 2026. The bill exempts qualifying gold coin and silver coin from sales tax; allows but does not require government entities to accept such coin electronically; and prohibits anyone from being compelled to use or accept such coin. The bill regulates custodians of gold and silver coin, setting standards for security, insurance, audits, and fiduciary duties. Additionally, financial institutions and money services businesses cannot be forced to provide coin-related services. The bill requires the Chief Financial Officer and the Financial Services Commission to adopt implementing rules and, as part of a report, submit those rules to the Legislature by November 1, 2025. The bill will become effective July 1, 2026, if the Legislature ratifies these rules.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not estimated the impact of this bill on state and local government revenues.

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ANALYSIS

EFFECT OF THE BILL:

Legal Tender Designation

The bill recognizes certain gold coin and silver coin as [legal tender](#) in Florida for the payment of debts incurred on or after July 1, 2026. The bill defines key terms such as “gold coin¹,” “silver coin²,” and “electronic transfer³,” and provides that only coin meeting specified purity and marking standards qualifies. No individual, business, or government entity⁴ is required to accept such coin unless agreed to by contract. (Section [2](#)).

¹ The bill defines “gold coin” to mean a precious metal with the chemical element of atomic number 79 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 79 consists of at least 99.5 percent purity. The term does not include any goods as defined in s. 672.105(1), such as jewelry, other items of utility, such as picture frames, or collectables.

² The bill defines “silver coin” to mean a precious metal with the chemical element of atomic number 47 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and is stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 47 consists of at least 99.9 percent purity. The term does not mean any goods as defined in s. 672.105(1), such as jewelry, other items of utility, such as picture frames, or collectables.

³ The bill defines “electronic transfer” to mean any instruction, other than a transaction by check, draft, or similar paper instrument, which is initiated through debit card, mobile application, or computer to order, instruct, or authorize a financial institution as defined in s. 655.005(1)(i) or a money services business as defined in s. 560.103 to debit or credit an account with gold coin or silver coin or any fraction thereof, or the equivalent coin or currency of the United States or foreign currency converted at current market price. An “electronic transfer” includes, but is not limited to, an instruction in a debit card transaction that authorizes the debit or credit of an account in a single, integrated step at the point of sale.

⁴ The bill defines “government entity” to mean a state, regional, county, municipal, special district, or other political subdivision, whether executive, judicial, or legislative, including, but not limited to, a department, a division, a board, a bureau, a commission, an authority, a district, or an agency thereof, or a public school, a Florida College System institution, a state university, or an associated board.

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Governmental entities are permitted, but not required, to accept payments in gold or silver coin for taxes and other obligations, and such payments must be made by electronic transfer through an approved custodian rather than in physical form. (Section [2](#)).

The bill clarifies that financial institutions are not required to offer products or services related to gold or silver coin, including holding or exchanging them, and are protected from liability for choosing not to do so. (Section [11](#)).

Additionally, the bill amends Florida's Uniform Commercial Code to ensure that gold or silver coin cannot be compelled as payment unless contractually agreed upon. (Section [12](#)).

Sales and Use Tax

The bill exempts from sales tax any gold or silver coin that is legal tender in Florida under the newly created legal tender statute. The bill establishes a presumption of eligibility for this exemption if the coin is stamped with appropriate purity markings or transacted electronically. (Section [1](#)).

Custody of Public Deposits

The bill requires any custodian of gold or silver coin that holds public deposits to meet the standards for a qualified public depository but specifies that such custodians are not required to be insured by the [Federal Deposit Insurance Corporation](#) (FDIC) or the National Credit Union Share Insurance Fund. The Chief Financial Officer (CFO) is directed to adopt rules to implement these requirements. (Section [3](#)).

Licensing and Regulation of Custodians

The bill creates a licensing framework for custodians of gold and silver coin⁵ by expanding the definition of money transmitters to include such custodians and requiring annual regulatory examinations. (Sections [4](#) and [5](#))

Before licensure, a custodian must undergo examination, including inspection of its vault facilities, by the Office of Financial Regulation (OFR). (Section [6](#)).

The bill provides that a money services business (MSB) may not be required to offer services involving gold or silver coin, such as accepting, exchanging, or storing such coin. However, if an MSB voluntarily chooses to offer such services, it must:

- Maintain separate accounts for any gold coin or silver coin and not commingle such coin with other accounts;
- Insure the gold coin or silver coin for full replacement value;
- Securely store all physical gold coin or silver coin with a custodian of such coin within the state;
- Ensure that any gold coin or silver coin purchased for use or in circulation as legal tender is from an accredited refiner or wholesaler;
- Provide its customers with notice concerning the fluctuation of gold coin and silver coin values, notice of potential conversion and transaction fees, and other disclosures deemed necessary by the Financial Services Commission (FSC); and
- Provide transparent contracts, products, services, storage terms, and fees;
- Comply with all applicable state and federal laws and regulations, including chain of custody requirements prescribed by rule of the FSC. (Section [7](#))

The FSC is required to adopt rules to implement these requirements. (Section [7](#)).

Applicants seeking licensure as a money transmitter that is a custodian of gold or silver coin must meet existing licensure requirements for money transmitters and must submit evidence of insurance coverage, secure physical

⁵ The bill defines "custodian of gold coin or silver coin" to mean any person or entity providing secure vault facilities to one or more persons for the safekeeping and storage of gold coin or silver coin, the ownership of which is or may be transferred electronically as defined by the bill, and includes any person who holds gold coin or silver coin for more than 10 days. The term does not include a person who holds gold coin or silver coin for personal use as legal tender.

custody, accreditation from an OFR approved entity, and a statement of how the business will be operated in a safe and sound manner. (Section [8](#))

The bill creates operational requirements for custodians of gold and silver coin. Custodians must:

- Be located in a manner that enables rapid law enforcement response time;
- Maintain high-security, monitored vaults with physical barriers, intrusion detection, biometric or multi-factor access controls, and 24-hour video surveillance;
- Maintain disaster resistant facilities;
- Maintain accurate accounting records of customers' and the custodian's gold coin and silver coin and records detailing its inventory system;
- Segregate asset classes that are not gold coin or silver coin;
- Store gold coin or silver coin on a fully allocated⁶ basis with an undivided interest⁷ for each owner;
- Comply with chain of custody requirements prescribed by FSC rule;
- Be subject to examinations of holdings or audits at least annually;
- Insure the full replacement value of all stored gold coin or silver coin;
- Employ specified cybersecurity measures;
- Maintain custody within Florida of the exact quantity and type of gold coin or silver coin as that entrusted by each owner of such coin; and
- Comply with all applicable state and federal law and regulations, including anti-money laundering regulations. (Section [9](#))

Custodians must offer customers the ability to retrieve their assets upon request, provide quarterly account statements, make recent audit reports available upon request, and maintain full transparency about fees and business practices. Custodians are designated fiduciaries under Florida law and must ensure the confidentiality of all customer information. (Section [9](#)).

Financial Institutions and Anti-Money Laundering

The bill amends Florida's anti-money laundering statute to include gold and silver coin within the definition of "monetary instruments," ensuring that financial transactions involving such coin is subject to existing reporting and oversight requirements. (Section [10](#))

The bill establishes that financial institutions are not required to offer services involving gold or silver coin, including accepting deposits, making exchanges, or facilitating transactions. However, if a financial institution chooses to engage in such services, it must comply with specific operational and disclosure standards. These include insuring the full replacement value of any coin held, maintaining separate accounts and accurate transaction records, and making full disclosures to customers about their rights, fees, and the institution's obligations. (Section [11](#))

A financial institution may contract with a licensed custodian to physically hold gold or silver coins on its behalf but remains responsible for ensuring the custodian complies with all applicable requirements. All physical gold or silver coin must be securely stored with a custodian located in Florida, and the institution must disclose the name and location of the custodian to its customers. The institution must also maintain clear procedures for recordkeeping, auditing, and customer notification. (Section [11](#)).

Probate Implications

The bill amends Florida probate law to specify that gold or silver coin recognized as legal tender under Florida law is not considered tangible personal property for purposes of estate administration. Precious metals that do not

⁶ The bill defines "fully allocated" to mean that each owner has a direct and specific legal claim to the exact gold coin or silver coin, or portion thereof, equal to their deposit that is held by the custodian of gold coin or silver coin.

⁷ The bill defines "undivided interest" to mean all owners share the physical gold coin or silver coin collectively, with each owner entitled to a proportional share of the total holdings equal to their ownership, even though the gold coin or silver coin may be stored as a larger unit.

qualify as legal tender, including those held for their historical, artistic, collectible, or investment value apart from normal use as legal tender, continue to be treated as tangible personal property. This provision applies only to the estates of decedents who die on or after July 1, 2026. (Section [13](#)).

Conforming Provisions and Statutory Integration

The bill updates a cross-reference in the Financial Technology Sandbox statute to reflect the changes made to the MSB licensing law. (Section [14](#)).

The bill directs the Division of Law Revision to place the newly created sections in the appropriate part of chapter 560, F.S., and to rename Part II of that chapter as “Payment Instruments, Funds Transmission, and Custodians of Gold and Silver Coin.” (Section [15](#)).

Implementation

The bill requires the CFO and the FSC to adopt implementing rules by November 1, 2025, which must be submitted by the Department of Financial Services and the OFR as part of a joint report to the Governor and Legislature by November 1, 2025. This report must also include implementation plans and any concerns or recommendations for additional legislation. The implementing rules adopted by the CFO and the FSC will not take effect unless ratified by the Legislature. These provisions of the bill take effect upon the bill becoming law. (Section [16](#) and [17](#)).

The provisions of the bill will be repealed on June 30, 2026, unless saved by reenactment following rule ratification. (Section [18](#)).

The bill was approved by the Governor on May 27, 2025, ch. 2025-100, L.O.F., and will become effective on July 1, 2026, except as otherwise expressly provided by the bill.

RULEMAKING:

The bill requires the CFO and the FSC to adopt rules to implement the legal tender framework established in the bill, including standards for the operation of custodians of gold and silver coin, insurance requirements, asset segregation, customer disclosures, and security measures for storage and electronic transfer; however, these rules will only take effect if ratified by the Legislature.

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.

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of this bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Legal Tender 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."⁸ 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.⁹ 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.¹⁰ However, Congress has not preempted state authority to recognize specie¹¹ 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.¹² 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

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%.¹³ The Internal Revenue Code defines "collectible" to include "any metal or gem" and "any coin" not specifically exempted.¹⁴

Florida Taxation

Florida provides a limited sales tax exemption for sales of U.S. coins and currency and for foreign currency transactions exceeding \$500.¹⁵ 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, that applies when the total sales price of such bullion exceeds \$500.¹⁶ 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.¹⁷

Florida law does not explicitly address whether precious metals are 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."¹⁸ Tangible personal property includes office furniture, fixtures, tools, machinery, household appliances, signs, equipment, leasehold improvements, supplies, leased equipment, and other similar items.¹⁹

Insurance and Regulatory Requirements for Asset-Holding Institutions

⁸ U.S. Const. art. 1, § 10, Cl. 1.

⁹ *Id.*

¹⁰ U.S. Const. art. 1, § 8, Cl. 5.

¹¹ *Specie* refers to money in the form of coins, especially those made of gold or silver. See *Black's Law Dictionary* (11th ed. 2019) ("Specie: Coined money, as opposed to paper money; esp., gold or silver coins.").

¹² 31 U.S.C. § 5103

¹³ "Form S-3" Securities and Exchange Commission, 27. Feb. 2025, P. 42,

<https://www.sec.gov/Archives/edgar/data/1690437/000149315225008435/forms-3.htm>

¹⁴ 26 U.S.C. § 408(m)(2)(A)–(D).

¹⁵ [s. 212.05\(1\)\(j\), F.S.](#)

¹⁶ [s. 212.08\(7\)\(ww\), F.S.](#)

¹⁷ Art. VII, s. 5(a), Fla. Const.

¹⁸ [s. 192.001\(11\)\(d\), F.S.](#)

¹⁹ [Rule 12D-16.002, F.A.C., Tangible Personal Property Tax Return](#) (DR-405). The return includes these specific categories as taxable items.

Because gold and silver are often stored outside traditional banking institutions, it is important to distinguish how such assets are protected—or not protected—under federal insurance programs. The [Federal Deposit Insurance Corporation](#) (FDIC) provides coverage of up to \$250,000 per depositor, per insured bank, for each account ownership category.²⁰ The National Credit Union Share Insurance Fund (NCUSIF), administered by the National Credit Union Administration (NCUA), provides equivalent coverage for member accounts in federally insured credit unions.²¹ While there is no explicit statutory prohibition on insuring such assets, precious metals are not considered “deposits” under federal law and are not among the asset types covered by federal deposit insurance.²²

In Florida, institutions that hold funds or assets on behalf of the state must comply with the [Qualified Public Depository Act](#). A qualified public depository is a financial institution that meets the requirements of Florida’s Qualified Public Depository Act and is designated by the Chief Financial Officer to receive or hold public funds.²³ These institutions must secure public deposits with collateral,²⁴ file monthly reports,²⁵ and comply with minimum liquidity and solvency standards.²⁶ Institutions must generally be federally insured, although limited exemptions may apply for entities that hold non-cash assets.²⁷

Financial Services Regulatory Bodies in Florida

Florida’s financial regulatory framework includes the OFR and the FSC. The OFR is responsible for overseeing and licensing financial institutions, money services businesses, securities firms, and mortgage entities.²⁸ The FSC, composed of the Governor and Cabinet, serves as the rulemaking body for the OFR and provides overall policy direction.²⁹ The OFR operates under the policy direction of the FSC and enforces state financial laws and regulations. Together, these entities are responsible for implementing and enforcing Florida’s financial regulatory laws.

Anti-Money Laundering

The Florida Control of Money Laundering and Terrorist Financing in Financial Institutions Act (the Act) establishes reporting and recordkeeping requirements for financial institutions to help detect and prevent money laundering and terrorist financing.³⁰ The Act is intended to deter the use of financial institutions to conceal or transfer proceeds related to criminal or terrorist activity and to provide information useful in regulatory and law enforcement investigations.³¹

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.³²
- 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

²⁰ 12 U.S.C. § 1821(a).

²¹ 12 U.S.C. §§ 1781(a), 1787(k).

²² See 12 U.S.C. § 1813(l) (definition of “deposit”); 12 C.F.R. § 330.1(n).

²³ See [s. 280.02\(26\), F.S.](#) (defining “qualified public depository”).

²⁴ See [s. 280.04\(1\), F.S.](#)

²⁵ See [s. 280.16, F.S.](#)

²⁶ See Rule 69C-2.026, F.A.C.

²⁷ See [s. 280.03\(3\), F.S.](#) (permitting exceptions to federal insurance requirements under certain conditions).

²⁸ [s. 20.121\(3\), F.S.](#)

²⁹ [s. 20.121\(3\)\(c\), F.S.](#)

³⁰ [s. 655.50, F.S.](#)

³¹ [S. 655.50\(2\), F.S.](#)

³² 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.

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.³³

- Wyoming enacted legislation in 2018 declaring gold and silver legal as 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.³⁴
- 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.³⁵

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.³⁶

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.³⁷

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.³⁸ 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.³⁹

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.⁴⁰ 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.⁴¹

³³ 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.

³⁴ 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.

³⁵ 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.

³⁶ *Bullion Feasibility Study*, supra note 36.

³⁷ *Id.* at 14, 20, 22-23.

³⁸ 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/V11I2_A_Gold_Standard_for_the_Internet_-_An_Introductory_Assessment.pdf.

³⁹ Bender, supra note 1, at 122.

⁴⁰ 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>.

⁴¹ Lael Brainard, Governor, Bd. of Governors of the Fed. Rsrv. Sys., *The Digitalization of Payments and Currency: Some Issues for Consideration* (Feb. 5, 2020), <https://www.federalreserve.gov/newsevents/speech/brainard20200205a.htm>.

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.