

LC 21 0912

A BILL TO BE ENTITLED
AN ACT

To amend Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, so as provide a short title; to provide legislative findings; to define certain terms; to require any bank or lending institution serving as a depository for the state or any department or agency of the state to offer and to accept gold and silver coin for deposit; to amend Title 50 of the Official Code of Georgia Annotated, relating to state government, so as to provide legislative findings; to define certain terms; to require the exclusive use of gold and silver coin as tender in payment of debts by or to the state; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Constitutional Tender Act."

SECTION 2.

Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is amended by adding a new chapter to read as follows:

"CHAPTER 9

7-9-1.

The General Assembly finds and declares that sound, constitutionally based money is essential to the livelihood of the people of this state and the stability and growth of the economy of this state and region and vitally affects the public interest. The General Assembly further finds that Article I, Section 10 of the United States Constitution provides that no state shall "make any Thing but gold and silver Coin a Tender in Payment of Debts."

7-9-2.

As used in this chapter, the term:

(1) 'Federal Reserve Accounting Unit Dollar accounts' means accounts based on legal tender federal reserve notes created by 12 U.S.C. Section 3, Subchapter XII.

(2) 'Gold eagle accounts' means accounts based on legal tender one ounce, one-half ounce, and one-tenth ounce gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

(3) 'Pre-1965 silver accounts' means accounts based on legal tender silver coins minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver composition and containing when minted approximately 0.7234 troy ounces of silver per dollar of face value.

(4) 'Silver eagle accounts' means accounts based on legal tender one ounce silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

7-9-3.

Banks and lending institutions chartered by the state pursuant to this title, and any bank or lending institution serving as a depository for the state or any department or agency of the state, shall offer gold and silver coins minted by the United States to, and shall accept them for deposit from, the state and other customers.

7-9-4.

(a) Banks and lending institutions designated in Code Section 7-9-3 shall offer accounts denominated in:

(1) Federal Reserve Accounting Unit Dollar accounts;

(2) Pre-1965 silver accounts;

(3) Silver eagle accounts; and

(4) Gold eagle accounts.

(b) Accounts established as provided in subsection (a) of this Code section shall be segregated from all other types of currency. Withdrawals shall be made in the same currency as deposits; provided, however, that nothing in this Code section shall prevent the conversion from one form of currency to another form of currency."

SECTION 3.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by adding a new chapter to read as follows:

"CHAPTER 3850-38-1.

The General Assembly finds that, as mandated by Article I, Section 10 of the United States Constitution, the state shall not "make any Thing but gold and silver Coin a Tender in Payment of Debts." Federal Reserve Accounting Unit Dollars, having no redeeming value in gold or silver coin, shall not be made a tender in payment of debts by the state.

50-38-2.

As used in this chapter, the term:

(1) 'Federal Reserve Accounting Unit Dollar accounts' means accounts based on legal

tender federal reserve notes created by 12 U.S.C. Section 3, Subchapter XII.

(2) 'Gold eagle accounts' means accounts based on legal tender one ounce, one-half ounce, and one-tenth ounce gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

(3) 'Pre-1965 silver accounts' means accounts based on legal tender silver coins minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver composition and containing when minted approximately 0.7234 troy ounces of silver per dollar of face value.

(4) 'Silver eagle accounts' means accounts based on legal tender one ounce silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

50-38-3.

Pre-1965 silver coins, silver eagles, and gold eagles shall be the exclusive medium which the state shall use to make any payments whatsoever to any person or entity, whether private or governmental. Such coins shall be the exclusive medium which the state shall accept from any person or entity as payment of any obligation to the state including, without limitation, the payment of taxes; provided, however, that such coins and other forms of currency may be used in all other transactions within the state upon mutual consent of the parties of any such transaction.

50-38-4.

Upon the effective date of this chapter, all obligations owned by and to the state shall be converted from denomination in Federal Reserve Accounting Unit Dollars to denomination in gold and silver coins pursuant to Section 50-38-3. On the date of conversion from the use by the state of Federal Reserve Accounting Unit Dollars to its use of gold and silver coins, the conversion value of each coin used as payment of obligations by and to the state shall not

be determined by the nominal face value of each coin itself, but shall be determined as follows:

(1) The current market value of the silver or gold content of each coin at the time of conversion shall be equal to the most recent conversion value to the United States dollar set on that current business day by the London Silver Fixing Price and the London Gold Fixing Price as of 1030 Greenwich Mean Time or 1500 Greenwich Mean Time, whichever is most recent;

(2) The conversion value of gold eagles shall be equal to the current market value in Federal Reserve Accounting Unit Dollars of the gold content of each coin plus the standard United States Mint Authorized Purchasers premium for gold eagle bullion coins as follows:

(A) Three percent premium for one ounce coins;

(B) Five percent premium for one-half ounce coins;

(C) Seven percent premium for one-quarter ounce coins; and

(D) Nine percent premium for one-tenth ounce coins;

(3) The conversion value of pre-1965 silver coins shall be equal to the current market value in Federal Reserve Accounting Unit Dollars of one troy ounce of silver, multiplied by 0.715 of the face value of each coin; and

(4) The conversion value of silver eagles shall be equal to the current market value in Federal Reserve Accounting Unit Dollars of the silver content of each coin plus the standard United States Mint Authorized Purchasers premium for silver eagle bullion coins of \$1.50 per coin.

50-38-5.

The coins used pursuant to Code Section 50-38-3 shall be accepted for deposit by banks and lending institutions chartered by the state under Title 7 and by any bank or lending institution serving as a depository for the state or any department or agency of the state. Any such bank or lending institution may offer such coins to, and accept them for deposit from, other

customers. Nothing in Georgia law shall prohibit banks and lending institutions from offering accounts as described in Code Section 7-9-4 prior to the effective date of this chapter.

50-38-6.

Checks or electronic transfers or payments drawn on pre-1965 silver accounts, silver eagle accounts, and gold eagle accounts in accordance with Code Section 7-9-4 shall be deemed to satisfy the United States Constitution's requirement that payment of obligations by the state be made only in gold or silver coin and shall be deemed to satisfy the requirement of Code Section 50-38-3 for payment of obligations owed to the state."

SECTION 4.

This Act shall become effective one year following its approval by the Governor or upon its becoming law without such approval.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.

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