

DIGITAL GOLD LEGISLATION AND MODEL LEGISLATION

JANUARY 2026

"What Are We Really Legalizing?" A Legislator's Guide to Digital Gold Systems

Summary of ALEC Model Legislation

American Legislative Exchange ("ALEC") – ALEC.org
Transactional Gold and Silver Act

1. About ALEC

The American Legislative Exchange Council is America's largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets and federalism. Comprised of nearly one-quarter of the country's state legislators and stakeholders from across the policy spectrum, ALEC members represent more than 60 million Americans and provide jobs to more than 30 million people in the United States.

Board of Directors: Legislators from WV, FL, AR, OK, KS, FL, TX, UT, IN, GA, KS, PA, MI, MS, WY, TN, OH, KY, AZ, NY, IA

Private Enterprise Advisory Council members represent: Guaranty Trust Life Insurance, NetChoice, Altria Client Services, Multistate Associates, American Bankers Association, National Federation of Independent Businesses, State Farm, Consumers Research, StateLinx, UPS, PhRMA, Unleash Prosperity, Learn4Life, Koch Companies, 1792 Exchange, Sinquefield Enterprises, IT Industry Council, US Chamber of Commerce

2. Summary of [State Name] Transactional Gold and Silver Act

a. Definitions

“Bullion depository” – entity providing vault facilities within US for storage of bullion that complies with LBM best practice guidelines for storage of bullion and has contractual relationship to provide services to hold and receive deposits of specie or legal tender for an authorized precious metals-backed payment system vendor

“Depository agent” – private entity authorized by state’s chief fiscal officer to operate bullion depository or perform related services

“Legal tender” – medium of exchange, including specie, recognized by the state for payment of debts, taxes, fees and other obligations

“Specie” – gold or silver coin issued by the US or a foreign government or gold/silver in form of bars or other physical forms certified as at least 99% pure

“Specie backed electronic payment system” digital platform or payment system that uses gold or silver specie as the basis for transactions

“Transactional gold and silver” – representation of physical gold, silver, specie or bullion that may be transferred through electronic or written instructions through transaction by the owner of the specie and is fully redeemable as physical gold, silver, specie or bullion

b. Authorizes the state fiscal officer to promulgate rules to (i) and (ii) and mandates state fiscal officer to (iii) and (iv):

- (i) designate or establish a bullion depository for secure storage of gold and silver specie to facilitate transactions under the legislation
- (ii) authorize specie-backed payment system enabling vendors to receive payments from the state or subdivision using gold or silver specie
- (iii) operate the bullion depository directly or contract with a depository agent to perform services
- (iv) contract with private entity to develop or specie-backed electronic payment system

c. Rules must ensure:

- (i) depository is secure, transparent and accessible to residents of the state
- (ii) specie-backed electronic payment system is reliable and complies with applicable state and federal laws
- (iii) any depository agent or contracted entity operates in best interests of the state

d. Tax exemptions

- (i) Sale, purchase or exchange of gold or silver specie recognized as legal tender is exempt from state sales and use taxes
- (ii) Capital gains or losses from sale or exchange of gold/silver specie are exempt from state income tax

e. Implementation

- (i) Fiscal officer to implement provisions within one year of effective date of the act
- (ii) Fiscal officer shall submit annual report to legislature detailing status of operations of the depository, implementation and usage of specie-backed electronic payment system and economic impact of recognizing gold/silver specie as legal tender