



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1639

gold; silver; currency; study committee

Purpose

Establishes the Gold and Silver Currency Study Committee (Study Committee) and prescribes Study Committee membership, duties and reporting requirements.

Background

Federal law recognizes coins and currency, including Federal Reserve and national bank notes, as legal tender for the payment of all debts, public charges, taxes and dues. Foreign gold or silver coins are not recognized as legal tender for debt payment purposes. The U.S. Constitution prohibits individual states from coining money, emitting bills of credit and making anything, except for gold and silver coins, legal tender ([31 U.S. Code § 5103](#)).

Legal tender means a medium of exchange, including coins having precious metal content, that is authorized by the U.S. Constitution or Congress to pay debts, public charges, taxes and dues (A.R.S. §§ [6-851](#) and [43-1021](#))

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Establishes the Study Committee consisting of the following 10 members:
 - a) the State Treasurer or their designee;
 - b) the Director of the Department of Insurance and Financial Institutions (DIFI) or their designee;
 - c) three DIFI employees appointed by the Director of DIFI, one of whom who has knowledge in gold and silver banking regulation and one of whom who has experience and knowledge in money transmission;
 - d) one member who is a certified public accountant or has accounting experience or knowledge;
 - e) two members from different political parties who are appointed by the President of the Senate, one of whom who is designated as co-chairperson, with one member who has law enforcement experience or knowledge in financial fraud and one member who is a registered dealer or salesman of securities with experience or knowledge in gold or silver; and
 - f) two members from different political parties who are appointed by the Speaker of the House of Representatives, one of whom who is designated as co-chairperson, with one member who has law enforcement experience or knowledge in financial fraud and one member who is a registered dealer or salesman of securities with experience or knowledge in gold or silver.

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2. Directs the Study Committee to study:
 - a) gold and silver currency;
 - b) whether Arizona should invest state resources in gold and silver;
 - c) prudent investment practices for Arizona related to gold and silver; and
 - d) fiduciary management of gold and silver in an investment portfolio.
3. Specifies that Study Committee members are not eligible to receive compensation.
4. Requires, by November 1, 2024, the Study Committee to submit a report of its activities, findings and recommendations to the Governor, President of the Senate, Speaker of the House of Representatives and provide a report copy to the Secretary of State.
5. Terminates the Study Committee on October 1, 2025.
6. Becomes effective on the general effective date.

Prepared by Senate Research

February 1, 2024

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