



2026 South Dakota Legislature

Senate Bill 112

Introduced by: **Senator** Carley

1 **An Act to establish a currency based on gold and silver.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That a NEW SECTION be added to a NEW CHAPTER in title 1:**

4 Terms used in this chapter mean:

5 (1) "Bullion," refined precious gold or silver metal, valued primarily based on its metal
6 content and not on its form or function;

7 (2) "Bullion depository," an entity providing vault facilities within the United States for
8 the storage of bullion, which:

9 (a) Complies with the administrative rules promulgated for the selection of or
10 establishment of a bullion depository per section 3 of this Act; and

11 (b) Has a contractual relationship to provide services for deposits of specie or
12 legal tender for an authorized electronic payment system vendor;

13 (3) "Depository agent," a private entity authorized by the state treasurer to operate a
14 bullion depository or perform related services under this chapter;

15 (4) "Electronic payment system," an electronic platform or payment system that uses
16 gold or silver specie as the basis for transactions and that:

17 (a) Uses bullion held in a bullion depository for electronic transactions;

18 (b) Allows for the redemption of bullion by system participants;

19 (c) Enables account holders to make payments to participating vendors; and

20 (d) Is authorized and approved by the state treasurer to provide accounts that
21 hold bullion and allow users to buy, sell, save, or spend bullion as a form of
22 legal tender;

23 (5) "Legal tender," a medium of exchange, including specie, recognized by this state
24 for the payment of debts, taxes, fees, and other obligations;

25 (6) "Social credit scoring system," a method of recordkeeping, data collection, or
26 scoring that evaluates, monitors, or ranks an individual's or entity's behavior,

1 beliefs, associations, or compliance with government or corporate standards, and
2 that conditions access to services, benefits, or opportunities based on that
3 evaluation;

4 (7) "Specie," coin or bullion of gold or silver having intrinsic value and used or intended
5 for use as money, in physical forms certified at least ninety-nine and one-half
6 percent pure in the case of gold and ninety-nine and nine-tenths percent pure in
7 the case of silver, and coined, stamped, or imprinted with its weight and purity;
8 and

9 (8) "Transactional gold and silver," a representation of physical gold, silver, or bullion,
10 that reflects the exact units of metal in fractional troy ounces or grams and that:

11 (a) May be transferred through electronic or written instruction by the owner;

12 (b) May be used to make or receive payments, or to transfer value, within this
13 state or between parties who consent to its use; and

14 (c) Is fully backed by specie held in a qualified depository and redeemable on
15 demand by the holder in the underlying gold or silver specie or bullion.

16 **Section 2. That a NEW SECTION be added to a NEW CHAPTER in title 1:**

17 Gold and silver specie are recognized as legal tender in this state and, beginning
18 July 1, 2027, may be used for the payment of:

19 (1) Debts between private parties, if mutually agreed upon; and

20 (2) Taxes, fees, or other obligations owed to this state or a political subdivision, if the
21 state or political subdivision agrees to accept specie as payment.

22 No person or entity is compelled to accept gold or silver specie as payment, except
23 as provided in this section or by mutual agreement or where payments are made by an
24 electronic payment system participant in gold or silver specie and the other party receives
25 U.S. dollars utilizing traditional payment mechanisms.

26 **Section 3. That a NEW SECTION be added to a NEW CHAPTER in title 1:**

27 The state treasurer shall promulgate rules pursuant to chapter 1-26 to:

28 (1) Define the shape or form of gold and silver bullion used for the purposes set forth
29 in this chapter;

30 (2) Designate or establish a bullion depository for secure storage of gold and silver
31 specie, to facilitate transactions under section 2 of this Act; and

32 (3) Authorize an electronic payment system that enables vendors to receive and
33 process payments using gold or silver specie.

Section 4. That a NEW SECTION be added to a NEW CHAPTER in title 1:

The state treasurer may:

- (1) Operate the bullion depository directly or contract with a depository agent; and
- (2) Contract with one or more private entities to develop or operate the electronic payment system.

Section 5. That a NEW SECTION be added to a NEW CHAPTER in title 1:

The state treasurer shall promulgate rules pursuant to chapter 1-26 to ensure that:

- (1) The bullion depository is secure, transparent, and accessible to residents of this state;
- (2) The electronic payment system is reliable and compliant with existing state and federal law;
- (3) Any depository agent or contracted entity operates in the best interests of this state and the depositors acting in reliance on the depository agent or contracted agency;
- (4) Deposits in a state-authorized bullion depository for the purpose of electronic exchange are insured for one hundred percent of the full replacement value under an all-risk insurance policy issued by a non-governmental-operated insurer;
- (5) The sufficiency of gold and silver specie held by a state-authorized bullion depository is verified by the treasurer at regular intervals;
- (6) Appropriate fraud prevention measures are established to prevent the procurement of bullion, specie, or transactional gold and silver through a knowing misrepresentation or knowing concealment of a material fact made to induce another person to act to that person's detriment;
- (7) A system participant's transaction information is not:
 - (a) Shared without proper court authorization; or
 - (b) Used in any type of social credit scoring system; and
- (8) A system participant's deposits are the sole property of the participant and are not subject to state appropriation without due process.

Section 6. That a NEW SECTION be added to a NEW CHAPTER in title 1:

The exchange of one type or form of legal tender for another type or form of legal tender, as provided in this chapter, does not give rise to any tax liability.

1 **Section 7. That a NEW SECTION be added to a NEW CHAPTER in title 1:**

2 The state treasurer shall submit to the Legislature, by December first of each year,
3 a report detailing, for the preceding fiscal year:

4 (1) The status and operations of the bullion depository;

5 (2) The implementation and usage of the electronic payment system; and

6 (3) The economic impact of recognizing gold and silver specie as legal tender.