

HOUSE BILL No. 1227

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-8.1-3; IC 6-1.1-2-7; IC 6-2.5-5-47; IC 26-2-11.

Synopsis: Designation of gold and silver as legal tender. Requires the treasurer of state (treasurer) to designate one or more established bullion depositories to provide a secure location for the storage of bullion by Indiana consumers. Requires the treasurer to engage an electronic payment system to oversee transactional and administrative procedures on behalf of consumers holding bullion depository accounts in a designated bullion depository. Provides that a consumer may establish a bullion depository account with a designated bullion depository by entering into a depository agreement with the bullion depository. Provides that a designated bullion depository qualifies as a state depository and is eligible to receive public funds of: (1) the state; or (2) a political subdivision; on deposit. Provides that each designated bullion depository must be audited by an independent third party auditor on an annual basis. Requires the treasurer to provide to the members of the general assembly on an annual basis a report concerning the operations and financial status of each designated bullion depository. Provides that the treasurer shall: (1) adopt guidelines; (2) designate one or more bullion depositories; and (3) engage an electronic payment system; not later than December 31, 2027. Provides that bullion is not subject to assessment and taxation under Indiana's property tax statute. Provides that the exchange of one type or form of legal tender for another type or form of legal tender is exempt from the state gross retail tax. Provides that the purchase, sale, or exchange of any type of specie is exempt from the state gross retail tax. Provides that specie is recognized as legal tender in Indiana. Provides that except as otherwise specifically provided by law or

(Continued next page)

Effective: July 1, 2026.

Lindauer

January 5, 2026, read first time and referred to Committee on Financial Institutions.



Digest Continued

contract, a person may not compel any other person to tender or accept specie as legal tender. Provides that a prevailing party in an action for breach of any contract provision that expressly designates a type or form of specie as legal tender is entitled to specific performance of the contract provision.



Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1227

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-8.1-3 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]:

4 **Chapter 3. Bullion Depositories**

5 **Sec. 1.** As used in this chapter, "bullion" has the meaning set
6 forth in IC 26-2-11-1.

7 **Sec. 2.** As used in this chapter, "bullion depository" means an
8 entity that provides at least one (1) vault facility within the United
9 States for the storage of bullion that:

10 (1) **complies with the London Bullion Market Association best**
11 **practice guidelines or an equivalent set of guidelines; and**

12 (2) **provides bullion depository accounts that:**

13 (A) **hold bullion; and**

14 (B) **allow a bullion depository account holder to buy, sell,**
15 **save, or spend bullion.**

2026

IN 1227—LS 6859/DI 154



1 **Sec. 3. As used in this chapter, "bullion depository account"**
 2 **means an account established with a bullion depository to facilitate**
 3 **the storage, transfer, and exchange of bullion.**

4 **Sec. 4. As used in this chapter, "consumer" means:**

- 5 (1) a natural person whose principal residence is in Indiana;
 6 or
 7 (2) a person, other than a natural person, that is domiciled in
 8 Indiana.

9 **Sec. 5. As used in this chapter, "electronic payment system"**
 10 **means an electronic system that enables participating vendors to**
 11 **receive and process a payment from a bullion depository account**
 12 **holder using specie held in the bullion depository as the payment**
 13 **method for the transaction.**

14 **Sec. 6. As used in this chapter, "person" means an individual, a**
 15 **corporation, a partnership, a company, an association, a trust, an**
 16 **estate, or a governmental entity.**

17 **Sec. 7. As used in this chapter, "political subdivision" has the**
 18 **meaning set forth in IC 36-1-2-13.**

19 **Sec. 8. As used in this chapter, "precious metal" has the**
 20 **meaning set forth in IC 26-2-11-3.**

21 **Sec. 9. As used in this chapter, "security" means physical,**
 22 **online, and logical security standards that meet generally accepted**
 23 **standards within the information assurance industry.**

24 **Sec. 10. As used in this chapter, "specie" has the meaning set**
 25 **forth in IC 26-2-11-5.**

26 **Sec. 11. The treasurer of state shall designate one (1) or more**
 27 **established bullion depositories to provide a secure location for the**
 28 **storage of bullion by consumers.**

29 **Sec. 12. Upon designating one (1) or more bullion depositories**
 30 **under section 11 of this chapter, the treasurer of state shall engage**
 31 **an electronic payment system to oversee transactional and**
 32 **administrative procedures on behalf of consumers holding bullion**
 33 **depository accounts in a designated bullion depository.**

34 **Sec. 13. (a) A consumer may establish a bullion depository**
 35 **account with a bullion depository designated under this chapter by**
 36 **entering into a depository agreement with the bullion depository.**

37 **(b) The holder of a bullion depository account established under**
 38 **subsection (a) may purchase, sell, deposit, or withdraw bullion**
 39 **through the holder's bullion depository account in accordance with**
 40 **the terms of the holder's depository agreement with the bullion**
 41 **depository.**

42 **Sec. 14. Notwithstanding any other law, including any law**



1 regarding the requirements for designation as a public depository,
 2 or any law regarding the location of a principal office or branch of
 3 a public depository, a designated bullion depository is a depository
 4 for purposes of IC 5-13-8 and IC 5-13-9.5 and is eligible to receive
 5 public funds of:

- 6 (1) the state; or
- 7 (2) a political subdivision;

8 on deposit. The state or a political subdivision, or any agency or
 9 instrumentality of the state or a political subdivision, may use a
 10 designated bullion depository for storing bullion. The treasurer of
 11 state may deposit a portion of state funds, in the form of bullion,
 12 into a bullion depository account in a designated bullion
 13 depository. A deposit made by the treasurer of state under this
 14 section is considered part of the state treasury. The state board of
 15 finance, under the authority set forth in IC 4-9.1-1-5, and in
 16 consultation with the board for depositories created by
 17 IC 5-13-12-1, shall adopt rules to implement this section.

18 Sec. 15. (a) The treasurer of state shall ensure that each bullion
 19 depository designated under this chapter is audited by an
 20 independent third party auditor not later than thirty (30) days
 21 after the end of each state fiscal year. An audit performed under
 22 this section must:

- 23 (1) verify the amount and value of bullion stored at each
- 24 physical location of the bullion depository; and
- 25 (2) inspect and evaluate the security measures in place at the
- 26 bullion depository.

27 (b) A third party auditor that performs an audit under this
 28 section must be an established provider of auditing services with
 29 credentials specified by the treasurer of state in guidelines adopted
 30 under section 18 of this chapter.

31 (c) A third party auditor that performs an audit under this
 32 section shall prepare and submit to the treasurer of state a report
 33 of the audit, in the form and manner prescribed by the treasurer
 34 of state in guidelines adopted under section 18 of this chapter. A
 35 report under this subsection must document, at a minimum:

- 36 (1) a total of the assessed amounts of precious metals on
- 37 deposit with the designated bullion depository; and
- 38 (2) any discrepancies between:
 - 39 (A) the records maintained by the bullion depository; and
 - 40 (B) the findings of the third party auditor;
- 41 with respect to any aspect of the operations of, or the security
- 42 measures in place at, the bullion depository.



1 An audit report prepared under this subsection is a public record
 2 that is open to inspection and copying under IC 5-14-3-3. However,
 3 the third party auditor that prepares the report shall not include
 4 in the report any information that identifies a holder of a bullion
 5 depository account with the designated bullion depository, other
 6 than with respect to a bullion depository account held by the state
 7 or a political subdivision.

8 Sec. 16. Not later than November 1 of each year, the treasurer
 9 of state shall submit to the executive director of the legislative
 10 services agency for distribution to the members of the general
 11 assembly a report concerning the operations and financial status
 12 of each bullion depository designated under this chapter. The
 13 report submitted to the executive director of the legislative services
 14 agency under this section must be in an electronic format under
 15 IC 5-14-6.

16 Sec. 17. (a) Subject to subsection (b), the treasurer of state has
 17 all powers necessary and appropriate to implement and administer
 18 this chapter, including the power to make and execute contracts
 19 with public or private entities.

20 (b) A contract described in subsection (a) is subject to review by
 21 the budget committee.

22 Sec. 18. (a) The treasurer of state, in consultation with the
 23 department of financial institutions, shall adopt guidelines for the
 24 implementation and administration of the provisions of this
 25 chapter.

26 (b) The treasurer of state shall adopt guidelines under this
 27 section, designate one (1) or more bullion depositories under
 28 section 11 of this chapter, and engage an electronic payment
 29 system under section 12 of this chapter not later than December 31,
 30 2027.

31 SECTION 2. IC 6-1.1-2-7, AS AMENDED BY P.L.234-2019,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 7. (a) As used in this section, "nonbusiness
 34 personal property" means personal property that is not:

- 35 (1) held for sale in the ordinary course of a trade or business;
- 36 (2) held, used, or consumed in connection with the production of
 37 income; or
- 38 (3) held as an investment.

39 (b) The following property is not subject to assessment and taxation
 40 under this article:

- 41 (1) A commercial vessel that is subject to the net tonnage tax
 42 imposed under IC 6-6-6.



(2) A vehicle that is subject to the vehicle excise tax imposed under IC 6-6-5.

(3) A motorized boat or sailboat that is subject to the boat excise tax imposed under IC 6-6-11.

(4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:

(A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

(6) Inventory.

(7) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1.

(8) The following types of nonbusiness personal property:

(A) All-terrain vehicles.

(B) Snowmobiles.

(C) Rowboats, canoes, kayaks, and other human powered boats.

(D) Invalid chairs.

(E) Yard and garden tractors.

(F) Trailers that are not subject to an excise tax under:

(i) IC 6-6-5;

(ii) IC 6-6-5.1; or

(iii) IC 6-6-5.5.

(9) For an assessment date after December 31, 2018, heavy rental equipment (as defined in IC 6-6-15-2) that is rented or held for rental or sale, the rental of which is or would be subject to the heavy equipment rental excise tax provisions under IC 6-6-15; provided, however, that a rentee that is exempt under IC 6-6-15-4(a)(3) from such excise tax shall be subject to the provisions of this article on such equipment.

(10) For an assessment date after December 31, 2026, bullion (as defined in IC 26-2-11-1).

SECTION 3. IC 6-2.5-5-47, AS AMENDED BY P.L.239-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 47. **(a) As used in this section, "legal tender" has the meaning set forth in IC 26-2-11-2.**

(b) Transactions involving the sale of or the lease or rental of storage for:



(1) coins that are permitted investments by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m);

(2) ~~bullion that would be a permitted investment by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m) if the bullion was in the physical possession of a trustee; (as defined in IC 26-2-11-1);~~ or

(3) legal tender;

are exempt from the state gross retail tax.

(c) The exchange of one (1) type or form of legal tender for another type or form of legal tender is exempt from the state gross retail tax.

(d) The purchase, sale, or exchange of any type of specie (as defined in IC 26-2-11-5) is exempt from the state gross retail tax.

SECTION 4. IC 26-2-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 11. Gold and Silver as Legal Tender

Sec. 1. (a) As used in this chapter, "bullion" means refined precious metal, in any shape or form (including coins, rounds, bars, ingots, or other products) that is valued primarily based on its metal content and not on its form and function.

(b) The term includes a precious metal coin.

Sec. 2. As used in this chapter, "legal tender" means a recognized medium of exchange for the payment of debts, taxes, fees, or any other obligation.

Sec. 3. As used in this chapter, "precious metal" means gold or silver.

Sec. 4. As used in this chapter, "precious metal coin" means precious metal that is:

(1) in bars or any other physical form that is certified for:

(A) gold metal, ninety-nine and one-half percent (99.5%) pure; or

(B) silver metal, ninety-nine and nine-tenths percent (99.9%) pure; and

(2) coined, stamped, or imprinted with the weight and purity of the precious metal.

Sec. 5. As used in this chapter, "specie" means bullion that is fabricated into products that are:

(1) of uniform shape, size, design, content, weight, and purity; and

(2) suitable for, or customarily used as:



- 1 (A) currency;
2 (B) a medium of exchange; or
3 (C) the medium for the purchase, sale, storage, transfer, or
4 delivery of precious metals in retail or wholesale
5 transactions.
- 6 **Sec. 6. (a) Specie is recognized as legal tender in Indiana.**
7 **(b) Specie may be recognized to pay:**
8 **(1) private debts;**
9 **(2) taxes; and**
10 **(3) fees levied by the state or a political subdivision (as defined**
11 **in IC 36-1-2-13).**
- 12 **Sec. 7. (a) Except as otherwise specifically provided by law or**
13 **contract, a person may not compel any other person to:**
14 **(1) tender specie; or**
15 **(2) accept specie;**
16 **as legal tender.**
17 **(b) In addition to any other available remedies, a prevailing**
18 **party in an action for breach of any contract provision that**
19 **expressly designates a type or form of specie as legal tender is**
20 **entitled to specific performance of the contract provision.**

