REFERENCE TITLE: gold-backed trust bonds; urging authorization

State of Arizona
House of Representatives
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Introduced by
Representatives Fink: Powell

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS, THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES DEPARTMENT OF THE TREASURY TO AUTHORIZE AND ISSUE TREASURY TRUST BONDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

To the Congress, the President and the Secretary of the Treasury of the United States of America:

Your memorialist respectfully represents:

Whereas, Article I, section 8 of the United States Constitution entrusts Congress with the solemn duty "to coin Money [and] regulate the Value thereof" to safeguard the long-term integrity of the Nation's currency; and

Whereas, 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," thereby establishing gold and silver as the monetary benchmark for all State obligations and public justice; and

Whereas, the Supreme Court of the United States has held that a "contract to pay a certain number of dollars in gold or silver coins is, therefore, in legal import, nothing else than an agreement to deliver a certain weight of standard gold," and therefore "a contract to deliver an equal weight of bullion of equal fitness" is indistinguishable; and

Whereas, the United States currently carries a federal debt exceeding $37 trillion with rising interest costs threatening fiscal sustainability and increasing the vulnerability of state budgets; and

Whereas, respected economist and former Federal Reserve Board nominee Dr. Judy Shelton has proposed the issuance of Treasury Trust Bonds, which are long-dated Treasury securities redeemable, at the holder's option, in either U.S. dollars or a fixed weight of gold, to create a transparent market metric for dollar credibility, broaden investor demand for Treasuries and provide an additional safeguard against inflationary erosion of savings; and

Whereas, 31 United States Code section 5118(d)(2) expressly allows the inclusion of gold clauses in obligations issued after 1977, and the United States holds approximately 261.5 million troy ounces of official gold reserves, portions of which could prudently collateralize an inaugural issuance without jeopardizing national security or reserve adequacy; and

Whereas, unlike most tangible assets, physical gold and silver are classified as "collectibles" under 26 United States Code section 408(m) and are subject to a maximum 28 percent federal capital gains tax, a policy that penalizes citizens who choose to save or transact in the very metals the U.S. Constitution delegates as constitutional money; and

Whereas, at least 43 states, including Florida, Texas, Arkansas and Missouri, have now removed state sales or use taxes on bullion, and several states have recognized gold and silver for state transactions, yet federal capital gains taxation remains a significant barrier to the practical, widespread monetary use of precious metals; and

Whereas, eliminating federal capital gains taxation on constitutional money would place gold and silver on equal tax footing with U.S. legal tender, remove a major obstacle to citizens' lawful choice of medium of exchange and enhance resilience of state and household balance sheets against inflation and systemic financial risk; and

Whereas, July 4, 2026, which marks the 250th anniversary of the Declaration of Independence, offers a uniquely symbolic launch date for a pilot tranche of Treasury Trust Bonds and for the reaffirmation of America's historic commitment to constitutional money.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring prays:

1. That the Congress, the President and the Secretary of the Treasury of the United States work together to implement Treasury Trust Bonds and make them fully collateralized by a defined portion of the nation's gold reserves, as a voluntary market instrument to strengthen fiscal discipline, diversify Treasury demand and enhance global confidence in the U.S. dollar.

2. That the Congress, the President and the Secretary of the Treasury of the United States immediately take all necessary actions to eliminate federal capital gains taxation on the monetary use, sale or exchange of gold and silver coins or bullion that are or have been recognized as legal tender, thereby placing constitutional money on parity with Federal Reserve notes.

3. That the Congress, the President and the Secretary of the Treasury of the United States affirm the original constitutional mandate that states "make nothing but gold and silver Coin a Tender in Payment of Debts", together with other U.S. legal tender and cooperate with states seeking to restore or expand the legal tender status of precious metals for public finance and private commerce.

4. That the United States Congress enact legislation authorizing the United States Secretary of the Treasury to issue Treasury Trust Bonds, pledging an amount up to a prudent percentage of official gold reserves as collateral, establishing a transparent redemption trust mechanism and expressly exempting such bonds from any federal capital gains tax on gold redemption.

5. That the Members of Congress from the State of Arizona introduce the necessary legislation to authorize Treasury Trust Bonds and repeal federal capital gains taxation on gold and silver used as legal tender.

6. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the Treasury of the United States and each Member of Congress from the State of Arizona.