

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1312
Economic Matters

(Delegate Pruski)

Finance

Legal Tender - Specie - Establishment

This bill authorizes (1) the State or a political subdivision of the State to accept “specie” for the payment of taxes, fees, or other obligations and (2) an individual to use specie for the payment of debts between private parties if the parties mutually agree to use specie. A person is not required to accept specie as payment. The Commissioner of the Office of Financial Regulation (OFR) may adopt regulations to carry out the provisions of the bill. On or before October 1, 2027, and annually thereafter, OFR must submit a report to the Governor and General Assembly detailing the economic impact of recognizing specie as legal tender in the State. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Special fund expenditures may increase by \$50,000 annually beginning in FY 2027, for consulting costs, as discussed below. Revenues are not affected.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The General Assembly finds that: (1) the use of specie as a medium of exchange has a historical basis in fostering economic stability; (2) recognizing specie as “legal tender” promotes competition in the monetary system and protects against reliance on fiat currency; and (3) establishing a mechanism for the use of precious metal in transactions enhances economic resilience in the State.

Definitions

“Legal tender” means a medium of exchange recognized by the State for the payment of debts, taxes, fees, and other obligations. Legal tender includes “specie.”

“Specie” means:

- gold or silver coin issued by the United States or a foreign government; or
- gold or silver in the form of bars or other physical form certified as at least 99% pure.

Current Law: State law does not generally regulate specie, as defined by the bill, nor is specie accepted as legal tender for payment of taxes, fees, or other State obligations.

Federal Reserve notes are legal tender currency notes issued by the 12 Federal Reserve Banks pursuant to the Federal Reserve Act of 1913. A Federal Reserve note is a liability of the Federal Reserve Banks and an obligation of the U.S. Government. Federal Reserve notes are not redeemable in gold, silver, or any other commodity.

State Expenditures: To the extent there is little or no economic effect of recognizing specie because specie is not accepted by the Comptroller or used extensively in private transactions, OFR may be able to produce the required report using existing resources. However, to the extent that specie is accepted by the Comptroller and/or used with some frequency, OFR advises that, given the broad range of transactions that may use specie, the absence of data regarding specie transactions, and a lack of experience regarding specie, OFR cannot produce the report required by the bill with existing resources. Therefore, special fund expenditures may increase by approximately \$50,000 in fiscal 2027 and annually thereafter. This estimate reflects the cost of hiring a consultant to research and produce a report on the economic impact of recognizing specie as legal tender in the State if it is accepted by the Comptroller as legal tender and/or used in private transactions.

Additional Comments: In June 1933, the United States abandoned the gold standard; all existing contracts and currency that required redemption in gold were no longer considered valid.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Prince George's County; Maryland Municipal League; Department of Legislative Services

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