ASSEMBLY BILL No. 129

Introduced by Assembly Member Dickinson

January 15, 2013

An act to amend Section 107 of the Corporations Code, relating to business associations.

LEGISLATIVE COUNSEL’S DIGEST

AB 129, as amended, Dickinson. Lawful money: alternative currency.

Existing law prohibits a corporation, flexible purpose corporation, association, or individual from issuing or putting in circulation, as money, anything but the lawful money of the United States.

This bill would instead prohibit a person from issuing or putting in circulation, as money, anything but the lawful money of the United States. This bill would specify that those provisions do not prohibit a corporation, flexible purpose corporation, association, or individual person from issuing or using an alternative currency that is redeemable for lawful money of the United States or that has value based on the value of lawful money of the United States. This bill would also specify that a corporation, flexible purpose corporation, association, or individual shall not be prohibited from being required to accept alternative currency.

The people of the State of California do enact as follows:

SECTION 1. Section 107 of the Corporations Code is amended to read:

107. A corporation, flexible purpose corporation, association, or individual person shall not issue or put in circulation, as money, anything but the lawful money of the United States. Nothing in this section shall prohibit the issuance and use of alternative currency that is redeemable for lawful money of the United States or that has value based on the value of lawful money of the United States but a corporation, flexible purpose corporation, association, or individual person shall not be required to accept alternative currency.