

Senate File 347 - Introduced

SENATE FILE 347

BY SORENSON

A BILL FOR

1 An Act designating silver and gold coin as legal tender in
2 payment of specified debts.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 421D.1 Legislative intent.

2 The general assembly finds and declares that the state is
3 experiencing an economic crisis of severe magnitude caused
4 in large part by the substitution of federal reserve notes
5 for silver and gold coin as legal tender in this state. The
6 general assembly also finds and declares that pursuant to
7 Article I, section 10, paragraph 1 of the Constitution of the
8 United States, and the tenth amendment to the Constitution
9 of the United States, it is necessary to protect the
10 safety, health, and welfare of the citizens of this state by
11 guaranteeing them a constitutional and economically sound
12 monetary system.

13 Sec. 2. NEW SECTION. 421D.2 Definitions.

14 For the purposes of this chapter, unless the context
15 otherwise requires:

16 1. "*Silver and gold coin*" means the silver and gold coins
17 of the United States coined and minted, or silver and gold
18 coins of any foreign nation adopted as money of the United
19 States, by authority of Congress pursuant to Article I, section
20 8, paragraph 5 of the Constitution of the United States and
21 all new certificates of the United States issued by authority
22 of Congress pursuant to Article I, section 8, paragraph 5 of
23 the Constitution of the United States, which certificates are
24 redeemable on demand in silver and gold coin at their face
25 values. "*Silver and gold coin*" does not include any note,
26 obligation, security, bill of credit, or other form or species
27 of paper currency or other instrument or document intended to
28 circulate as money emitted or issued by the United States or
29 any department, agency, or office of the United States; or by
30 the federal reserve system or any board, committee, member
31 bank, instrumentality, official, or agent of the system.

32 2. "*State*" means the state of Iowa and all executive
33 and administrative departments, agencies, courts,
34 instrumentalities, and political subdivisions, and all elected
35 and appointed officials, employees, and agents acting in their

1 official capacities.

2 Sec. 3. NEW SECTION. 421D.3 Legal tender — debt payments.

3 Notwithstanding any other provision to the contrary, the
4 state shall not recognize, employ, or compel any person or
5 entity to recognize or employ anything other than silver and
6 gold coin as a legal tender in payment of any debt arising out
7 of the following:

8 1. Taxation by the state. The applicable authority for
9 the tax shall mandate the calculation and payment of the tax
10 in silver and gold coin.

11 2. Expropriation of private property pursuant to the
12 exercise of the power of eminent domain by the state or by any
13 entity privileged by the laws of the state to exercise this
14 power.

15 3. Judgments, decrees, or orders of any court or
16 administrative agency of this state in civil or criminal
17 actions or proceedings, except where and only to the extent
18 that the court or agency granting an award shall find, on the
19 basis of clear and convincing evidence, that payment of silver
20 and gold coin shall not constitute just compensation for the
21 damages suffered by the prevailing party, and therefore shall
22 mandate:

23 a. Specific performance of a contract or agreement by other
24 than the payment of money.

25 b. Specific restitution of identifiable property other than
26 money.

27 c. Other like relief, and contracts or agreements for
28 the payment of wages, salaries, fees, or other monetary
29 compensation to any person, corporation, or other entity who
30 or which shall provide goods or services to the state in aid of
31 performance of its governmental functions.

32 Sec. 4. NEW SECTION. 421D.4 Units and measures — dollar
33 calculations.

34 1. The unit and measure for determining what shall
35 constitute legal tender in payment of any debt specified in

1 section 421D.3 is the standard silver dollar, containing three
2 hundred seventy one and twenty-five hundredths grains or troy
3 ounce equivalent of fine silver, as coined or minted by the
4 authority of Congress from time to time pursuant to Article
5 I, section 8, paragraph 5 of the Constitution of the United
6 States.

7 2. The value of any silver or gold coin as legal tender
8 in payment of any debt specified in section 421D.3 must be
9 denominated in dollars and calculated as follows:

10 a. The value of any silver coin must be calculated by
11 dividing the weight of fine silver in grains or troy ounce
12 equivalent that the coin shall contain by three hundred
13 seventy-one and twenty-five hundredths grains or troy ounce
14 equivalent, and expressing the quotient in dollars.

15 b. The value of any gold coin shall be calculated by
16 multiplying the weight of fine gold in grains or troy ounce
17 equivalent that the coin shall contain by the proportion by
18 weight between silver and gold as determined by the treasurer
19 of state by dividing the product of such multiplication by
20 three hundred seventy-one and twenty-five hundredths grains or
21 troy ounce equivalent, and expressing the quotient in dollars.

22 c. At the beginning of each business day, the treasurer of
23 state shall determine the average proportion by weight by which
24 gold exchanges against silver in the major precious metals
25 market or markets in the state, and shall immediately make
26 available this determination to any person upon request without
27 charge. This information shall be permanently certified and
28 recorded by the treasurer of state.

29 d. On and after July 1, 2011, the state shall denominate all
30 public accounts, and record the value of all public assets and
31 liabilities, in standard silver dollars.

32 EXPLANATION

33 This bill designates silver and gold coin as legal tender in
34 payment of specified debts.

35 The bill provides legislative intent that the general

1 assembly finds and declares Iowa to be experiencing an
2 economic crisis of severe magnitude caused in large part by
3 the substitution of federal reserve notes for silver and gold
4 coin as legal tender. The bill also provides that the general
5 assembly finds and declares that pursuant to Article I, section
6 10, paragraph 1 of the Constitution of the United States, and
7 the 10th amendment to the Constitution of the United States, it
8 is necessary to protect the safety, health, and welfare of the
9 citizens of this state by guaranteeing them a constitutional
10 and economically sound monetary system.

11 The bill provides two definitions. The bill provides that
12 "silver and gold coin" means the silver and gold coins of the
13 United States coined and minted, or silver and gold coins of
14 any foreign nation adopted as money of the United States, by
15 authority of Congress and all new certificates of the United
16 States issued by authority of Congress, which certificates are
17 redeemable on demand in silver and gold coin at their face
18 values. The bill states that "silver and gold coin" does not
19 include any note, obligation, security, bill of credit, or
20 other form or species of paper currency or other instrument
21 or document intended to circulate as money emitted or issued
22 by the United States or any department, agency, or office of
23 the United States; or by the federal reserve system or any
24 board, committee, member bank, instrumentality, official,
25 or agent of the system. The bill provides that "state"
26 means the state of Iowa and all executive and administrative
27 departments, agencies, courts, instrumentalities, and political
28 subdivisions, and all elected and appointed officials,
29 employees, and agents acting in their official capacities.

30 The bill provides that, notwithstanding any other provision
31 to the contrary, Iowa shall not recognize, employ, or compel
32 any person or entity to recognize or employ anything other than
33 silver and gold coin as a legal tender in payment of debts or
34 obligations arising out of taxation by the state, where the
35 applicable authority for the tax shall mandate the calculation

1 and payment of the tax in silver and gold coin, or the taking of
2 private property by eminent domain. Silver and gold coin shall
3 also be legal tender in connection with judgments, decrees,
4 or orders of any court or administrative agency of this state
5 in civil or criminal actions or proceedings, except where and
6 only to the extent that the court or agency granting an award
7 shall find, on the basis of clear and convincing evidence,
8 that payment of silver and gold coin shall not constitute just
9 compensation for the damages suffered by the prevailing party.

10 The bill states that the unit and measure for determining
11 what shall constitute legal tender is the standard silver
12 dollar, containing 371.25 grains or troy ounce equivalent of
13 fine silver. The bill also provides that the value of any
14 silver or gold coin as legal tender must be denominated in
15 dollars. The bill provides formulas for conversion of the
16 value of a silver or gold coin into dollar equivalents.

17 The bill provides that at the beginning of each business
18 day, the treasurer of state shall determine the average
19 proportion by weight by which gold exchanges against silver in
20 the major precious metals market or markets in the state, shall
21 immediately make available the determination to any person
22 upon request without charge, and shall permanently certify
23 and record the determination. The bill further provides that
24 on and after July 1, 2011, the state shall denominate all
25 public accounts, and record the value of all public assets and
26 liabilities, in standard silver dollars.