

HB 421 -- LEGAL TENDER

SPONSOR: Curtman

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Ways and Means by a vote of 10 to 0.

This bill changes the laws regarding legal tender. In its main provisions, the bill:

(1) Exempts any capital gains income included in Missouri adjusted gross income from the exchange of gold and silver issued by the federal government at a nonbank depository from state individual and corporate income taxes. A "nonbank depository" means a private storage firm used for the safekeeping and depositing of gold and silver issued by the federal government;

(2) Prohibits the extent and composition of a person's monetary holdings, including those on deposit with any nonbank depository, from being disclosed, searched, or seized except upon strict adherence to due process safeguards;

(3) Requires a nonbank depository operating under these provisions to be subject to the rules and regulations as the Secretary of State requires;

(4) Requires a nonbank depository to have written authority from the depositors of the gold and silver for all transactions; and

(5) Requires the method of determining the value of gold and silver to be accepted by the state to be based on the London PM fix for that day's transaction.

PROPONENTS: Supporters say that the bill clarifies some of the ambiguity of how a nonbank depository is set up and how deposits are protected. There are individuals interested in opening a nonbank depository in Missouri. Twelve states are considering similar bills including Kansas and Arizona. The free market is moving in this direction, toward the monetary system. Utah, within one year, had a business that went global with two central banks with three-year contracts. This is a tremendous business opportunity that could generate revenue for the state.

Testifying for the bill were Representative Curtman; and Doug Tjaden, Project 513.

OPPONENTS: There was no opposition voiced to the committee.