

A bill for an act
relating to money; designating gold and silver coin as official legal tender;
proposing coding for new law in Minnesota Statutes, chapter 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[1.55] SHORT TITLE.**

This act shall be known and cited as "The Minnesota Constitutional Money Act of 2011."

Sec. 2. **[1.56] FINDINGS AND STATEMENT OF POLICY.**

The legislature of the state of Minnesota finds and declares that, because it is based entirely on debt and not redeemable in gold or silver coin, the currency emitted by the Federal Reserve System has created and threatens to create increasing instability in the governmental finances and private economy of the state of Minnesota. In order to protect the state of Minnesota and its citizens against this danger, it is necessary for the state to designate gold and silver coin as official "legal tender" in payment of debts under certain circumstances. Such a designation is within the authority of the state of Minnesota as an exercise of its police power, and under the aegis of Article I, Section 10, Clause 1, of and the Tenth Amendment to the Constitution of the United States.

Sec. 3. **[1.57] DEFINITIONS.**

For the purposes of this chapter:

(1) "gold and silver coin" means all such gold and silver coin as are allowable for a state (i) to "make . . . a Tender in Payment of Debts" under the authority reserved to the several states in Article I, Section 10, Clause 1, of and the Tenth Amendment to the

Constitution of the United States, or (ii) to employ as it own media of exchange in the performance of its sovereign governmental functions;

(2) "legal tender" means a medium of exchange, currency, or money that may be accepted for the satisfaction of debts under the laws of the state of Minnesota or of the United States, as the case may be;

(3) "debt" means any public or private obligation, tax, or other public charge, or other provision in any contract, agreement, law, or regulation that requires and stipulates the payment of, or by the terms of which is payable in, some medium of exchange, currency, or money;

(4) "person" includes the state of Minnesota, and all natural persons, corporations, partnerships, trusts, labor unions, and unincorporated associations that reside or transact business or other operations within the state; and

(5) "state of Minnesota" means the state of Minnesota and its political subdivisions, and all departments, agencies, officials, and employees thereof.

Sec. 4. [1.58] DESIGNATION OF LEGAL TENDER.

Subdivision 1. **Legal tender.** To the full extent allowed by Article I, Section 10, Clause 1, of and the Tenth Amendment to the Constitution of the United States, gold and silver coin shall be legal tender in the state of Minnesota under the laws thereof.

Subd. 2. **Payment of debts.** (a) Any person may employ gold or silver coin, or both, as legal tender in the state of Minnesota under the laws thereof, for payment of any debt to which that person is a party.

(b) If by its terms a debt requires payment in gold or silver coin, or both, then the only allowable media of exchange for payment thereof shall be such gold or silver coin, or both, as the debt shall stipulate. In any case or controversy involving the enforcement of such a debt, the courts of the state of Minnesota shall specifically enforce payment in such gold or silver coin, or both.

(c) If by its terms a debt requires payment in some medium of exchange other than gold or silver coin, or both, the parties to the debt may mutually agree to payment thereof with gold or silver coin, or both, at such rate of exchange between such other medium of exchange originally stipulated in the debt and gold or silver coin, or both, as the parties may deem appropriate and formally memorialize in an addendum to such debt. In any case or controversy involving the enforcement of such a debt as so modified, the courts of the state of Minnesota shall specifically enforce payment in such gold or silver coin, or both, according to the terms of such addendum.

(d) No party to a debt which stipulates that payment is to be made in some medium of exchange other than gold or silver coin, and which shall not have been modified in accordance with paragraph (b), shall be compelled to tender or accept gold or silver coin in the satisfaction of such debt.

Subd. 3. **Other legal tender.** Except as required in subdivision 2, the designation and allowance for employment of gold and silver coin as legal tender in and under this chapter shall not preclude or prejudice the use by any person for any legal purpose of any medium of exchange, currency, or money, in addition to gold and silver coin, which has been designated legal tender under any of the laws of the United States.

Sec. 5. [1.59] PROHIBITION OF CERTAIN FORMS OF TAXATION.

Subdivision 1. **Use free of taxation.** The use of gold and silver coins as legal tender shall be free of taxation. A transaction entered into by any person subject to this chapter which involves the exchange of any gold or silver coin which is legal tender under this chapter for some medium of exchange, other than gold or silver coin, which has been designated legal tender under the laws of the United States shall not be subject to any sales, excise, gross receipts, income, capital gains, or other form of tax or public charge whatsoever under color of the laws of the state of Minnesota.

Subd. 2. **Violations.** Any official, agent, or employee of the state of Minnesota who attempts to assess, levy, collect, or in any other manner enforce, direct, assist, or participate in the enforcement of, any purported tax or public charge prohibited by subdivision 1 shall be subject personally to a civil suit by the party against which any such assessment, levy, collection, or other enforcement has been attempted, and upon proof thereof by preponderance of the evidence shall be held personally liable to such party in statutory damages of 100 times the amount of money at issue in such attempted assessment, levy, collection, or other type of enforcement, and in addition shall be required to recompense such party for all costs of suit, including reasonable attorney fees, for which damages, costs, and fees the court shall enter judgment against and require payment by the defendant in gold or silver coin, or both. No part of any such judgment shall be paid, reimbursed, contributed to, guaranteed, or insured by the state of Minnesota.

Sec. 6. JOINT LEGISLATIVE COMMITTEE TO STUDY THE ADOPTION OF AN ALTERNATIVE CURRENCY.

(a) A joint legislative committee is established to study the adoption of an alternative currency by and for the state of Minnesota and its citizens, in response to the abdication by the United States Congress of its constitutional duty to regulate the value of its money,

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4.1 which it has failed to do through the Federal Reserve System. The joint committee shall
4.2 consist of five members appointed by the speaker of the house and five members appointed
4.3 according to the rules of the senate. By January 15, 2012, the joint committee shall issue a
4.4 final report, including an executive summary. Both the executive summary and final report
4.5 shall be made available to the general public as soon as possible after completion.