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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2502

02/27/2012 Authored by Bills; Anderson, B.; Swedzinski and Garofalo
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to money; designating gold and silver coin as official legal tender;
1.3 proposing coding for new law in Minnesota Statutes, chapter 1.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. [1.55] SHORT TITLE.

1.6 This act shall be known and cited as "The Minnesota Constitutional Money Act
1.7 of 2012."

1.8 Sec. 2. [1.56] DEFINITIONS.

1.9 For the purposes of this chapter:

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

1.14 (2) "gold and silver coin" means all such gold and silver coin as are allowable for
1.15 a state (i) to "make . . . a Tender in Payment of Debts" under the authority reserved to
1.16 the several states in Article I, Section 10, Clause 1, and the Tenth Amendment to the
1.17 Constitution of the United States, or (ii) to employ as its own media of exchange in the
1.18 performance of its sovereign governmental functions;

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

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

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

2.6 Sec. 3. **[1.57] DESIGNATION OF LEGAL TENDER.**

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

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

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

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

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

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

3.1 Sec. 4. **[1.58] PROHIBITION OF CERTAIN FORMS OF TAXATION.**

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

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