

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3082S.02I  
 Bill No.: SB 735  
 Subject: State Treasurer; Taxation and Revenue - Income; Property, Real and Personal  
 Type: Original  
 Date: January 9, 2024

Bill Summary: This proposal creates and modifies provisions relating to gold and silver.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	(Could exceed \$445,272)	(Could substantially exceed \$120,563)	(Could substantially exceed \$122,663)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$445,272)</b>	<b>(Could substantially exceed \$120,563)</b>	<b>(Could substantially exceed \$122,663)</b>

\*Oversight notes the stated amounts above (\$219,639 in FY 2024, and roughly \$101,000 per year thereafter) only reflect the additional FTE costs for the DOR to hire an Assayer to verify “the weight and purity of any gold or silver coinage during any such transaction” as the state shall now accept gold and silver coins as payment. Any other state department that accepts payments may also incur similar costs. Oversight does not have enough information to estimate a loss to the state regarding §143.121 (deduction of capital gains from sale of gold and/or silver from MAGI); however estimates from the Department of Revenue and the Office of Administration - Budget note this loss is unknown but significant.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Could exceed 1 FTE</b>	<b>Could exceed 1 FTE</b>	<b>Could exceed 1 FTE</b>

\*DOR assumed the need for an additional FTE Assayer to verify the weight and purity of any gold or silver coinage during any such transaction as the state shall now accept gold and silver coins as payment. Other state departments that accept payments may also find the need for additional FTE.

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 30.266 – State Treasury keeping specie.

Officials from **the Office of the State Treasurer (STO)** state Section 30.266 of the proposal would allow that the State Treasurer “may keep [in the state treasury] an amount of specie greater than or equal to one percent of all state funds...” In general, “may” ordinarily implies discretion and this proposal gives the state treasurer discretion whether or not to keep specie in the state treasury. Absent an exercise of the Treasurer’s discretion, Section 30.266 has **no fiscal impact** to the State Treasurer’s Office. In the event a Treasurer exercises this discretion in the future, storing, protecting, assaying, and transporting specie would have a potential fiscal impact for the STO.

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section would allow the STO to invest more than 1% of all state funds in gold or silver bullion. B&P notes that the STO would not be able to invest less than 1% of all state funds in gold and silver. B&P defers to the STO for the potential impact of this provision.

Officials from the **Department of Revenue (DOR)** assume this section will not fiscally impact DOR.

**Oversight** notes this section allows (may keep) the Office of the State Treasurer to keep in custody an amount of gold and silver greater than or equal to one percent (1%) of all state funds. Oversight notes as this is permissive, we will not reflect a fiscal impact for this section.

However, according to reports from the Office of the State Treasurer, the balance of all state funds in the treasury totaled \$18.0 billion at December 31, 2023. Also, the STO’s December 2023 Portfolio Management summary noted a par value of investments of \$18.2 billion and an effective rate of return for the month in December as 3.19%. Therefore, Oversight assumes if the STO were to keep in custody 1% of state funds in gold and silver, this would equate to roughly \$182 million ( $\$18,200,000,000 \times 1\%$ ) taken out of usual investments and used to purchase/hold gold and silver. Oversight notes interest income of \$5.8 million ( $\$182,000,000 \times 3.19\%$ ). Oversight is unsure of the breakout of interest being credited to General Revenue versus other state funds; therefore, for simplicity, Oversight will assume interest proceeds from the General Revenue Fund (balance of \$4.263 billion at December 31, 2023) is be credited back to that fund, and all other interest will be credited to their original state funds, which Oversight will lump into “other state funds”.

General Revenue Fund	$\$4.263 \text{ billion} \times 1\% \times 3.19\% = \$1,360,000$
All others (reflected as “Other State Funds”) ( $\$18.2\text{B} - \$4.263\text{B}$ )	$\times 1\% \times 3.19\% = \underline{\$4,440,000}$
TOTAL	\$5,800,000

**Oversight** notes the proposal, if utilized by the STO, requires the STO to place this specie on time deposit, bearing interest, in one or more banking institutions in this state.

#### Section 143.121 Capital Gains and MAGI

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section would allow Missouri taxpayers to subtract any capital gains from the sale or exchange of gold and/or silver from the taxpayer's Missouri Adjusted Gross Income (MAGI), if such capital gains were included in the taxpayer's Federal Adjusted Gross Income (FAGI), beginning with tax year 2025.

B&P is unable to determine how the amount of capital gains claimed by Missouri taxpayers. However, the total amount of capital gains claimed during tax year 2021, the most recent complete year available, was \$10,933,232,729. If even 1% of the capital gains resulted from the sale or exchange of gold and/or silver, B&P estimates that the loss to GR would have been \$5,247,952 ( $\$10,933,232,729 \times 1\% \times 4.8\%$ ). Therefore, B&P estimates that this provision may have an unknown, but significant, loss to TSR and GR beginning with FY26 (for tax year 2025 capital gains).

Officials from the **DOR** state this part of the proposal requires that a taxpayer be allowed to subtract the amount of capital gain they receive from the sale or exchange of gold or silver from their Federal Adjusted Gross Income (FAGI) when calculating their Missouri Adjusted Gross Income (MAGI) thus lowering their taxable income.

Taxpayers report the sources of the capital gain on their federal tax returns and only their FAGI number is reported on the Missouri tax return. Therefore, DOR is unable to determine how much capital gain is reported from the sale or exchange of gold and silver in Missouri.

The Internal Revenue Service SOI data for 2020 (the most complete year) shows that total capital gains reported on the returns for the State of Missouri equaled \$10,621,746,000. If just 1% of these capital gains was a result of either gold or silver this could result in a loss to general revenue of \$5,098,438 ( $\$10,621,746,000 * 1\% * 4.8\%$  tax rate).

This will require an additional line be added to the MO-A form, information would need to be added to our website and this would need to be added to our individual income tax computer system. These costs are estimated at \$8,923.

#### Section 408.010 – Legal Tender

**B&P** states section 408.010 would allow gold and silver coinage to be legal tender in Missouri. B&P notes that certain gold and silver coins are already considered legal tender under Federal law. However, federal law prohibits the use of privately created gold and/or silver coins from being used as currency.

This section requires all state agencies to accept gold and silver as payment for debts and all costs incurred during value verification shall be paid by the state.

This section further prevents all state and local government bodies and courts from seizing any gold and silver held by a person, except as provided under the Criminal Activity Forfeiture Act. B&P notes that this would allow individuals and businesses to store or move assets into gold and/or silver to avoid having assets seized. This would allow taxpayers to move their assets to gold and/or silver coins to avoid paying back taxes to the state. Therefore, this provision may have a negative unknown impact to TSR, GR, as well as other state and local funds.

Officials from the **Department of Revenue** state this part of the proposal requires specie legal tender to be accepted as legal tender in Missouri and shall be allowed for the payment of all public debts. This proposal defines legal tender as a medium of exchange authorized by the United States and the state of Missouri. Specie in this section is defined as coins that are used for currency. Specie legal tender would be any coins issued by the U.S. Mint or Federal Government. It should be noted that Missouri and DOR already accept coins issued by the U.S. Mint.

This provision also requires electronic currency to be accepted as legal tender in Missouri and shall be allowed for the payment of all public debts. Per this proposal electronic currency is a representation of gold, silver, specie and bullion in an account which may be transferred by electronic instruction. It reflects the exact unit of physical specie or gold. DOR already accepts electronic currency that is tied to physical currency in the form of debit cards, credit cards, money orders, cashier's checks and electronic fund transfers.

DOR receives, processes and deposits the majority of all state revenue. DOR receives sales tax, individual income tax, corporate tax and various taxes and fees collected by state agencies that is then brought to DOR for deposit. However, DOR does **not** accept and will continue to **not** accept any coinage that is in violation of 18 U.S. § 486. Acceptance of coins not considered legal tender per this federal statute can result in felony charges being brought by the Federal Government. Since this requires legal tender to be approved by the Federal Government in order to be accepted this will not result in any change of our current policies.

This proposal removes the prohibition of people paying their entire state debt in coins. Prior to this prohibition being in place, DOR would receive envelopes full of coins. Removing this language would allow customers to send in envelopes of coins and require DOR to get coin counting machines. DOR would need at least one in our Taxation Division, and 2 in our Motor Vehicle Driver License Division. These machines are estimated to cost \$250 each.

This proposal would require the State of Missouri to accept specie legal tender as payment of debt. It says that the cost incurred in the course of verification of the weight and purity of any specie received must be borne by the receiver. DOR assumes that since the majority of state revenue comes to the Department, DOR would be responsible for the verification process.

It should be noted that verification of weight and purity of specie can only be done by an Assayer. DOR does not currently have one on staff. Research indicates their average salary is around \$75,000 annually. DOR assumes should they have to verify the weight and purity of each coin, then DOR will need to have one full-time Assayer in our Jefferson City headquarters building where the majority of all payments are received. If DOR is required to accept specie at all of our locations (5) and licenses offices (173) DOR would need an Assayer at each location. For purposes of the fiscal note, DOR assumes all taxpayers wishing to pay in specie would need to conduct their business in our Jefferson City Headquarters Building.

If DOR is required to provide the Assayer that all agencies would use for verifying their gold and silver, then DOR would assume a central computer program would need to be build for DOR and the agencies to be able to track these payments. This program could be expected to cost up to **\$100,000** for all agencies.

While this proposal indicates that DOR would be responsible for the verification of the weight and purity of the specie legal tender accepted, this proposal does not require DOR to accept it at anything other than par values (face value). Since the definition of specie in this proposal refers to uniform coins used as a medium of exchange and whose weight and purity is known, DOR assumes they can accept all U.S. minted coins as their face value. By doing so, DOR would not need an Assayer.

The Department is unable to determine how many people will want to pay with specie rather than dollar bills. DOR assumes that this proposal:

- It will require the need for at least three coin-counters for each of our divisions. \$250 each.
- State will need a new contract with a bank that can handle increased volume of coins and specie. Current contract allows only minimal coins.
- Larger safe for our Cashiering team that receive money from other agencies for deposit. Their current safe is not designed to handle large sums of coins.
- Updates to our numerous payment systems to recognize that these types of payments were made. These would include taxation's MyTax, and the motor vehicle and driver license systems' FUSION. ITSD estimates at least \$38,000 for the necessary updates per division (3 divisions x \$38,000 = **\$114,000**).

DOR estimates these additional costs for our building, equipment and security could exceed \$100,000.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state if this bill is interpreted to allow the Division of Employment Security (DES), Division of Workers' Compensation (DWC) and Division of Labor Standards (DLS) to accept Gold/Silver coinage in the repayment of debt, this could cause an unknown impact to DES, DWC and DLS. The DES,

DWC and DLS would incur the cost of the verification of the weight and purity of the Gold/Silver. At this time, DOLIR does not have a way to estimate the cost.

Officials from the **Department of Mental Health (DMH)** state they are unable to determine when and how often the department would receive payment in the form of gold or silver coins. Accepting payment in this form would create a substantial burden on DMH due to calculating value, determining purity and authenticity, and cost of depositing or selling. The fiscal impact from this additional administrative work is unknown.

While coins minted by the US Treasury are legal tender, it is not widely used in financial transactions. The proposal states the state shall accept gold and silver coinage, but does not specify that coinage must be minted by the US Treasury. Gold and silver coins created outside the US Treasury are not excluded. U.S. Const., Art. 1, §10, cl. 1 allows states to recognize gold and silver coinage as tender; however, the limits of this provision are largely untested in federal courts.

Officials from the **Department of Social Services (DSS)** state the MO HealthNet Division (MHD) is unable to determine how many people will want to pay with gold and silver rather than other forms of payment. Currently, the MHD has no way to determine the verification of the weight and the value of the purity of the gold or silver upon acceptance. If a participant chooses to pay with either gold or silver, the MHD would have to seek out different options in order for that payment to be assessed, including but not limited to, seeking out an Assayer to determine its value. The MHD assumes these instances would be minimal and therefore, would be minimal to no impact to the MHD.

This proposal in 408.010.4 also prevents all state and local governmental bodies from seizing any gold or silver that is owned by a person. Per RSMo 473.398, MHD is directed to collect debts owed to the State related to Medicaid claims. If all or a portion of assets are in gold or silver, it could limit the amount MHD can collect. The MHD is estimating that up to 1% of collections could be impacted by this legislation. On average, the MHD collects around \$18 million per year. Therefore, the impact to MHD is \$0 to \$180,000 per year.

FY25: Total - \$0 - \$180,000

FY26: Total - \$0 - \$180,000

FY27: Total - \$0 - \$180,000

**DSS - Family Support Division (FSD):  
Section 408.010:**

**Income Maintenance (IM):**

Currently, FSD Income Maintenance (IM) does not accept any payment for any programs administered by IM. However, when an individual has been found to have incorrectly received benefits administered by FSD, a claim is filed and payment for the overpayment is submitted as repayment to the Department of Finance and Administrative Services (DFAS).

**Child Support (CS):**

Proposed subsection 408.010.2 would allow specie and electronic currency to be legal tender in Missouri.

This proposal will require the FSD CS program to accept specie and electronic currency as payment for child support obligations, for annual federal fee payments made by the obligor and for recovery payments. Child support payments are processed by FSD's State Disbursement Unit, the Family Support Payment Center (FSPC) which is run by FSD's contractor Systems & Method, Inc. (SMI). Fees and recovery payments are processed by the Division of Finance and Administrative Services (DFAS). FSD assumes specie legal tender to be precious metal (gold, silver, platinum and palladium) coin that is issued by the federal government and any other specie. FSD also assumes electronic currency is digital currency that encompasses any currency, money or money-like asset that is stored or exchanged on computer systems.

Under proposed 408.010.3, the FSD CS program will be required to accept specie legal tender and electronic currency. Specie coinage is a commodity that changes in value daily. Depending on the time it takes to convert the specie, the spot price could have changed leaving a balance or excess amount. Electronic currency (cryptocurrency) is influenced by supply and demand that creates a price volatility that could change the value. Depending on the time it takes to convert the electronic currency, the value of the currency could change leaving a balance or excess amount.

The FSD CS program is unable to determine how many people will want to pay with specie legal tender or electronic currency rather than other forms of payment but it is assumed it would be minimal. Currently, the FSD CS program has no experience or ability to accept specie legal tender or electronic currency as payment.

In order to comply with accepting specie legal tender, the FSD CS program would need to enter into a contract with a financial entity that would accept and convert the specie into a form of payment accepted by FSPC. FSD CS or the financial entity may also need to contract with an assayer that would be able to verify the weight and value of the purity of the specie.

In order to comply with accepting electronic currency, FSD assumes, for the purpose of this fiscal note, OA Accounting would enter into a contract with a financial broker that would accept electronic currency and convert the electronic currency into a form of payment accepted by FSD. The FSD CS program notes that under 408.010.5 (1), obligors could move assets into specie legal tender or electronic currency in order to avoid having assets attached by the FSD CS program for child support. It is unknown how many obligors may move assets into specie legal tender or electronic currency and the negative impact for this is unknown.

The Family Support Payment Center (FSPC) collects and disburses payments for child support cases meeting the criteria under 454.530, RSMo, and [45 CFR 302.32](#). FSPC is required under federal and state law to disburse support payments within two business days after receipt. The FSD CS program would be required to process and disburse child support payments received in specie or electronic currency within the two day time frame to be in compliance with the Title



IV–D state plan. As the specie and electronic currency would have to be authenticated and converted into a form of payment accepted by the FSPC prior to the FSPC processing and disbursing the payment, the FSD CS program anticipates the processing time could exceed the two–day time frame required for payment disbursement thereby risking state compliance.

If the FSD child support program does not disburse payments within two business days of receipt, Missouri could have IV–D state compliance implications. Title IV–D state plan noncompliance will result in the loss of federal funding for the state’s child support program (\$53.8 million for FFY 2023). Having an approved Title IV–D state plan is a condition of eligibility for a Temporary Assistance for Needy Families (TANF) block grant under Title IV–A of the Social Security Act. If the Federal government determines Missouri’s IV–D state plan is noncompliant, Missouri’s TANF funding (\$216.3 million) could potentially be reduced. FSD is unsure how much the reduction in funding would amount to; therefore, this amount is not included in the overall fiscal impact of this legislation. In order to continue child support program services at its current level, any loss of federal funding would have to be replaced with general revenue. Therefore, the fiscal impact of non–compliance would range from \$0 to \$53.8 million general revenue.

FSD assumes that any form of electronic currency would need to be liquidated into cash form to be able to receive as payment. FSD assumes that a financial broker would be procured by the state of Missouri to handle this function for all departments.

FSD defers to OA-Accounting for the fiscal impact to receive electronic currency as a form of payment. The FSD estimates that the impact of entering into a contract with a financial entity and/or assayer to process specie legal tender will be \$0 to \$100,000 per year.

Therefore, total DSS impact would be \$0 to \$280,000 per year to the General Revenue Fund.

Officials from the **STO** state section 408.010.2 proposes that “specie legal tender and electronic currency [as defined under the proposal] shall be accepted as legal tender for payment of all public debts” and 408.010.3 requires that “[t]he state of Missouri shall accept specie legal tender and electronic currency as payment for any debt, tax, fee, or obligation owed. Costs incurred in the course of verification of the weight and purity of any specie legal tender or electronic currency during any such transaction shall be borne by the receiving entity.” This requirement has **no fiscal impact** for the STO, but would likely have an impact on all agencies receiving payments for any debt, tax, fee or obligation owed as the agencies would necessarily store, protect, assay, and transport specie.

**Oversight** will reflect a potential cost to all state agencies as well as local political subdivisions or \$0 or an unknown amount for the administrative burden of accepting, valuing, storing and depositing gold and silver payments.

Section 408.010.5 Seizing of specie legal tender

Officials from the **Department of Revenue** state this part of the proposal prevents all state and local governmental bodies from seizing any specie legal tender or electronic currency that is owned by a person. If a taxpayer owes DOR back taxes, they will have the opportunity to move all their income to these items and prohibit DOR from being able to collect the back taxes owed. DOR is unable to determine how much this will impede our collection efforts. This impact is expected to be unknown.

Bill as a whole:

Officials from the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety – Office of the Director**, the **Missouri Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of Administration** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

Officials from the **Department of Commerce and Insurance (DCI)** believe the costs of this bill can be absorbed within their current appropriations. However, should the cost be more than anticipated, DCI would request an increase to their FTE and/or appropriations as appropriate through the budget process.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Loss</u> – DOR §143.121 – capital gains on the exchange of gold and silver now a deduction for MAGI calculation	\$0	(Unknown – potentially significant)	(Unknown – potentially significant)
<u>Costs</u> – DOR §408.010	Could exceed...	Could exceed....	Could exceed.....
Personal Service	(\$62,500)	(\$76,500)	(\$78,030)
Fringe Benefits	(\$35,788)	(\$43,493)	(\$44,051)
Expense & Equipment	(\$22,984)	(\$570)	(\$582)
Assayer equipment	(\$10,000)	\$0	\$0
Computer programs & updates	(\$214,000)	\$0	\$0
Security measures	<u>(\$100,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs</u>	(\$445,272)	(\$120,563)	(\$122,663)
FTE Change	1 FTE	1 FTE	1 FTE
<u>Costs</u> – Various State Agencies - §408.010 – potential cost to verify the weight and purity of any gold or silver coinage received as payment	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Loss</u> – DOR §408.010.5 – removal of gold and silver coins as seizable assets	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE</b>	<b><u>(Could exceed \$445,272)</u></b>	<b><u>(Could substantially exceed \$120,563)</u></b>	<b><u>(Could substantially exceed \$122,663)</u></b>
Estimated Net FTE Change on General Revenue	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> – Local governments - §408.010 – potential cost to verify the weight and purity of any gold or silver coinage received as payment	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies and creates new provisions relating to the sole purpose of regulating the use of gold and silver.

**CUSTODY OF GOLD AND SILVER SPECIE BY STATE TREASURER (Section 30.266)**

The act permits the State Treasurer to keep in the custody of the state treasury an amount of gold and silver specie greater than or equal to 1% of all state funds, provided that all such specie that is not needed for current expenses shall be placed on time deposit, bearing interest, in one or more banking institutions in this state, as required by the Missouri Constitution.

**INCOME TAXATION ON GOLD AND SILVER SPECIE (Section 143.121)**

Current law exempts all purchases of bullion and investment coins from all state and local sales taxes. This act additionally exempts from state income tax the portion of capital gain on the sale or exchange of gold and silver specie that are otherwise included in the taxpayer's federal adjusted gross income.

**LEGAL TENDER (Section 408.010)**

The act creates the "Constitutional Money Act" and declares that specie legal tender and electronic currency, as those terms are defined in the act, shall be accepted as payment for all public debts and may be received as payment for all private debts contracted for in the state of Missouri, in the discretion of the receiving entity.

The state of Missouri is required to accept specie legal tender and electronic currency as payment for any debt, tax, fee, or obligation owed. Costs incurred in the course of verification of the weight and purity of any specie during any such transaction shall be borne by the receiving entity.

Except as expressly provided by contract, no person or entity shall be required to use specie legal tender or electronic currency in the payment of any debt and nothing in this act shall prohibit the use of federal reserve notes in the payment of any debt.

Under no circumstance shall the state of Missouri or any department, agency, court, political subdivision, or instrumentality thereof:

- Seize from any person any specie legal tender or electronic currency that is owned by such person, except as otherwise provided by law. Any person whose specie legal tender or electronic currency is seized in violation of this provision shall have a cause of action in a court of competent jurisdiction, with any successful such action resulting in the award of attorney's fees;
- Enforce or attempt to enforce any federal acts, laws, executive orders, administrative orders, rules, regulations, statutes, or ordinances infringing on the right of a person to keep and use specie legal tender and electronic currency as provided in this act;
- Restrict in any way the ability of a person or financial institution to acquire specie legal tender and electronic currency or use specie legal tender and electronic currency in transactions; or
- Enact any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Office of the State Treasurer

Department of Revenue

Office of Administration - Budget and Planning

Department of Mental Health

Department of Social Services

Department of Labor and Industrial Relations

Department of Economic Development

Department of Elementary and Secondary Education

Department of Higher Education and Workforce Development

Department of Health and Senior Services

Department of Natural Resources

Department of Corrections

Department of Public Safety – Office of the Director

Missouri Department of Agriculture

Missouri Department of Conservation

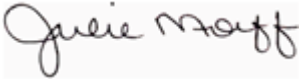
L.R. No. 3082S.02I

Bill No. SB 735

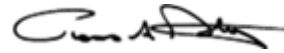
Page **14** of **14**

January 9, 2024

Missouri Department of Transportation  
Office of Administration  
Office of the State Courts Administrator



Julie Morff  
Director  
January 9, 2024



Ross Strope  
Assistant Director  
January 9, 2024