

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 430

BY HART

AN ACT

1 RELATING TO LEGAL TENDER; PROVIDING LEGISLATIVE FINDINGS AND STATEMENT OF
2 POLICY; AMENDING CHAPTER 46, TITLE 63, IDAHO CODE, BY THE ADDITION OF
3 A NEW SECTION 63-4601, IDAHO CODE, TO PROVIDE A SHORT TITLE; AMEND-
4 ING CHAPTER 46, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
5 63-4602, IDAHO CODE, TO PROVIDE DEFINITIONS; AMENDING CHAPTER 46, TITLE
6 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-4603, IDAHO CODE,
7 TO ESTABLISH PROVISIONS RELATING TO THE DESIGNATION OF CERTAIN LEGAL
8 TENDER; AMENDING CHAPTER 46, TITLE 63, IDAHO CODE, BY THE ADDITION OF
9 A NEW SECTION 63-4604, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO
10 THE PROHIBITION OF CERTAIN FORMS OF TAXATION UPON CERTAIN TRANSACTIONS
11 AND TO PROVIDE FOR A CIVIL SUIT AND THE AWARDING OF CERTAIN COSTS; AND
12 PROVIDING SEVERABILITY.
13

14 Be It Enacted by the Legislature of the State of Idaho:

15 SECTION 1. LEGISLATIVE FINDINGS AND STATEMENT OF POLICY. (1) The Leg-
16 islature of the State of Idaho hereby finds and declares that, because it is
17 based entirely on debt and not redeemable in gold or silver coin, the cur-
18 rency emitted by the Federal Reserve System has created and threatens to cre-
19 ate increasing instability in the governmental finances and private economy
20 of the State of Idaho.

21 (2) In order to protect Idaho and its citizens against this danger, it is
22 necessary for the state to designate gold and silver coin as official "legal
23 tender" in payment of debts under certain circumstances.

24 (3) Such a designation is within the authority of the State of Idaho as
25 an exercise of its police power, and under the aegis of Clause 1, Section
26 10, Article I of, and the Tenth Amendment to, the Constitution of the United
27 States.

28 (4) The Legislature also recognizes the liberty of Idahoans to conduct
29 business in gold and silver coin uninhibited at their own discretion as a
30 right never delegated by the People of Idaho to any governmental institu-
31 tion.

32 SECTION 2. That Chapter 46, Title 63, Idaho Code, be, and the same is
33 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
34 ignated as Section 63-4601, Idaho Code, and to read as follows:

35 63-4601. SHORT TITLE. This act shall be known and cited as the "Idaho
36 Constitutional Money Act of 2012."

37 SECTION 3. That Chapter 46, Title 63, Idaho Code, be, and the same is
38 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
39 ignated as Section 63-4602, Idaho Code, and to read as follows:

1 63-4602. DEFINITIONS. For the purposes of this act, the following
2 terms have the following definitions:

3 (1) "Gold and silver coin" means all such "gold and silver Coin" as are
4 allowable for a state (a) to "make ...a Tender in Payment of Debts" under the
5 authority reserved to the several states in Clause 1, Section 10, Article I
6 of, and the Tenth Amendment to, the Constitution of the United States, or (b)
7 to employ as its own media of exchange in the performance of its sovereign
8 governmental functions.

9 (2) "Legal tender" means a medium of exchange, currency, or money that
10 may be offered and accepted for the satisfaction of debts under the laws of
11 the state of Idaho or of the United States, as the case may be.

12 (3) "Debt" means any public or private obligation, tax or other pub-
13 lic charge, or other provision in any contract, agreement, law, or regula-
14 tion that requires and stipulates the payment of, or by the terms of which is
15 payable in, some medium of exchange, currency, or money.

16 (4) "Person" includes the state of Idaho and all natural persons, cor-
17 porations, partnerships, trusts, labor unions, and unincorporated associa-
18 tions that reside or transact business or other operations within the state.

19 (5) "State of Idaho" means the state of Idaho and its political subdivi-
20 sions and all departments, agencies, officials, and employees thereof.

21 SECTION 4. That Chapter 46, Title 63, Idaho Code, be, and the same is
22 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
23 ignated as Section 63-4603, Idaho Code, and to read as follows:

24 63-4603. DESIGNATION OF LEGAL TENDER. (1) To the full extent allowed
25 by Clause 1, Section 10, Article I of, and the Tenth Amendment to, the Consti-
26 tution of the United States, gold and silver coin shall be legal tender in the
27 state of Idaho under the laws thereof.

28 (2) Any person may employ gold or silver coin, or both, as legal ten-
29 der in the state of Idaho, under the laws thereof, for payment of any debt to
30 which that person is a party.

31 (a) If by its terms a debt requires payment in gold or silver coin, or
32 both, then the only allowable media of exchange for payment thereof
33 shall be such gold or silver coin, or both, as the debt shall stipulate.
34 And in any case or controversy involving the enforcement of such a debt,
35 the courts of the state of Idaho shall specifically enforce payment in
36 such gold or silver coin, or both.

37 (b) If by its terms a debt requires payment in some medium of exchange
38 other than gold or silver coin, or both, the parties to the debt may
39 mutually agree to payment thereof with gold or silver coin, or both, at
40 such rate of exchange between such other medium of exchange originally
41 stipulated in the debt and gold or silver coin, or both, as the parties
42 may deem appropriate and formally memorialize in an addendum to such
43 debt. And in any case or controversy involving the enforcement of such a
44 debt as so modified, the courts of the state of Idaho shall specifically
45 enforce payment in such gold or silver coin, or both, according to the
46 terms of such addendum.

47 (c) Except as provided in paragraph (d) of this subsection, no party
48 to a debt which stipulates that payment is to be made in some medium of
49 exchange other than gold or silver coin, and which shall not have been

1 modified in accordance with paragraph (b) of this subsection, shall be
2 compelled to tender or accept gold or silver coin in the satisfaction of
3 such debt.

4 (d) With respect to any debt that is denominated in some number of
5 United States "dollars," but which does not specify in what particular
6 kind of United States coin or other currency payment is to be made, the
7 debtor may, at his option, tender in payment thereof United States gold
8 or silver coin, or both, the aggregate face value of which in "dollars"
9 is equal to the number of "dollars" stipulated in the debt, in which
10 event the creditor must accept such tender. Or, at his option, the
11 debtor may tender in payment any other United States coin or currency
12 that has been designated legal tender under any of the laws of the United
13 States, the aggregate face value of which other coin or currency in
14 "dollars" is equal to the number of "dollars" stipulated in the debt, in
15 which event the creditor must accept such tender. Or, at their mutual
16 option, the parties may enter into an addendum to the debt, as specified
17 in paragraph (b) of this subsection.

18 (3) The designation and allowance for employment of gold and silver
19 coin as legal tender in and under this act shall not preclude or prejudice the
20 use by any person for any legal purpose of any medium of exchange, currency,
21 or money, in addition to gold and silver coin, which has been designated le-
22 gal tender under any of the laws of the United States.

23 SECTION 5. That Chapter 46, Title 63, Idaho Code, be, and the same is
24 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
25 ignated as Section 63-4604, Idaho Code, and to read as follows:

26 63-4604. PROHIBITION OF CERTAIN FORMS OF TAXATION. (1) A transaction
27 entered into by any person subject to this act which involves the exchange of
28 (a) any gold or silver coin, which shall be legal tender under the provisions
29 of this act for (b) some medium of exchange, other than gold or silver coin,
30 which has been designated legal tender under the laws of the United States
31 shall not be subject to any sales, excise, gross receipts, income, capital
32 gains, or other form of tax or public charge whatsoever under color of the
33 laws of the state of Idaho.

34 (2) Any official, agent, or employee of the state of Idaho who shall
35 attempt to assess, levy, collect, or in any other manner enforce, or direct,
36 assist, or participate in the enforcement of any purported tax or public
37 charge prohibited by subsection (1) of this section shall be subject in his
38 individual capacity to a civil suit by the party against which any such as-
39 sessment, levy, collection, or other enforcement has been attempted, and
40 upon proof thereof by a preponderance of the evidence shall be held person-
41 ally liable to such party in statutory damages of one hundred (100) times the
42 amount of money at issue in such attempted assessment, levy, collection, or
43 other type of enforcement, and in addition shall be required to recompense
44 such party for all costs of suit or investigation, including reasonable
45 attorney's fees, for which damages, costs, and fees the court shall enter
46 judgment against and require payment by the defendant in gold or silver coin,
47 or both. No part of any such judgment shall be paid, reimbursed, contributed
48 to, guaranteed, or insured by the state of Idaho.

1 SECTION 6. SEVERABILITY. The provisions of this act are hereby declared
2 to be severable and if any provision of this act or the application of such
3 provision to any person or circumstance is declared invalid for any reason,
4 such declaration shall not affect the validity of the remaining portions of
5 this act.