State of Washington  
62nd Legislature  
2012 Regular Session

By Representatives Condotta, Overstreet, Shea, and McCune

Read first time 01/27/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to establishing the 2012 gold and silver legal
tender act of Washington state; adding a new chapter to Title 43 RCW;
and providing an effective date.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

3 NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature
finds that to secure property rights sound money is essential. Gold
and silver currency retains earned wealth in the hands of the people
and has provided civil societies with a fair, honest, and reliable
medium of exchange for over six thousand years. Competitive currencies
of gold and silver provide greater security to the people of Washington
state in protecting their property and other assets from paper currency
inflation. The absence of gold and silver coin wrongly exposes the
citizens, businesses, and other residents of Washington state to the
chronic depreciation of the legal tender fiat paper federal reserve
note currency and significant losses in purchasing power which amount
to the incremental confiscation of private property without just
compensation. The due process clause of the fifth Amendment to the
United States Constitution, and Article I, section 3 of the Washington
state Constitution, both ensure the protection of life, liberty, and

p. 1

HB 2731
property. Only gold and silver may be recognized as government legal
tender under Article I, section 10 of the United States Constitution,
which gives the states the power to enact gold and silver based legal
tender laws, "no state shall . . .; make any Thing but gold and silver
Coin a Tender in Payment of Debts." Private contracts are not limited
to legal tender as furthermore provided in Article I, section 10, "No
State shall . . .; pass any bill . . .., or Law impairing the Obligation
of Contracts."

(2) It is the intent of the legislature that gold and silver used
as legal tender are treated in the same manner as United States
currency for taxation purposes. The legislature intends to provide a
choice of United States constitutional currency of gold and silver and
does not intend to compel a person to tender or accept gold or silver.
In addition to the United States constitutional authority giving the
state's authority to make gold and silver legal tender, the United
States supreme court has held that congress lacks any constitutional
power to specify what the states must use as "legal tender" or media of
exchange in the exercise of their reserve sovereign function in the
following cases: Lane County v. Oregon, 74 U.S. (7 Wall.) 71 (1869);
Hagar v. Reclamation District No. 198, 111 U.S. 701 (1884).

NEW SECTION. Sec. 2. SHORT TITLE. This chapter may be known and
cited as the gold and silver legal tender act of Washington state.

NEW SECTION. Sec. 3. MONETIZATION. Pursuant to the monetary
authority expressly reserved to the states in Article I, section 10 of
the United States Constitution, the following is declared to be state
legal tender:

(1) Federal specie gold and silver coin at any time issued by the
general government of the United States of America;
(2) Domestic specie gold and silver coin; and
(3) Foreign specie gold and silver coin monetized by any other
state or country.

NEW SECTION. Sec. 4. FAIR MARKET VALUE OF GOLD AND SILVER
CURRENCY. (1) The states are in violation of the United States
Constitution for failing to comply with national legal tender laws that
require gold or silver coin to be the only legal tender:
(a) The general government has no constitutional authority to emit bills of credit or to enact tender in payment of debt laws forcing the use of fiat paper currency among the states;
(b) The power to determine legal tender is specifically given to the states;
(c) The general government has failed to abide by Article I, section 8 of the United States Constitution: "To coin Money, regulate the Value thereof and of foreign Coin, . . ." and provide market value for gold and silver coins for circulation as currency among the states; and
(d) The United States Constitution charges the states with ensuring only gold and silver coin are legal tender within their borders per Article I, section 10: "No State shall . . . make any Thing but gold and silver Coin a Tender in Payment of Debts."

(2) The state of Washington has determined to exercise its constitutional authority and provide its citizens with gold and silver coins as an alternative currency. Originally, the exact weight of the constitutional dollar was established in the coinage act of 1792 at 371.25 grains (troy) for fine silver; however, in order to implement an alternative currency for today's markets:
(a) It is necessary for the state to establish a fair market value for coins of gold and silver;
(b) The state of Washington must use the common standard of the dollar as provided for in the U.S. Constitution; and
(c) The state treasurer must post daily the value of fine silver and the proration to gold per the average closing prices of the New York, London, and Hong Kong Metal Exchanges.

NEW SECTION. Sec. 5. PRIVILEGES AND IMMUNITIES. (1) The use of gold and silver is strictly voluntary and no person or entity may compel any other person or entity to tender or accept state legal tender.
(2) This act may not be used to impair contractual obligations and, except in the case of governmentally assessed taxes, fees, duties, imposts, dues, penalties or sanctions, neither the government nor any of its branches, agencies, subdivisions, or instrumentalities may compel payment in any particular form of legal tender inconsistent with
the express written or verbal agreement of transacting parties, thereby
frustrating the parties' manifest intent and impairing their
contractual obligations.

(3) In furtherance of the inherent rights of privacy and private
property, the extent and composition of a person's monetary holdings,
including those on deposit with any financial institution, are not
subject to disclosure, search, or seizure except upon strict adherence
to due process safeguards, including but not limited to:

(a) Issuance of a lawful warrant or writ by a judicial officer
sitting in the county within which such holdings exist;

(b) Pursuant to an adequate showing of probable cause with respect
to the particular person or entity in question; and

(c) A warrant or writ being executed under the authority of the
duly elected sheriff of such county.

NEW SECTION. Sec. 6. TAX AND REGULATORY TREATMENT. (1) No tax
may be imposed on the sale, exchange, or other disposition of any gold
or silver coin, gold or silver metal, gold or silver token, gold or
silver bullion, gold or silver bars, or gold or silver ingots, whether
issued by the United States, a foreign government, or any other entity
or person.

(2) The state of Washington may not assess any tax or fee on any
currency, or any other monetary instrument, which is used in the
transaction of interstate commerce or commerce with a foreign country,
and which is subject to the enjoyment of legal tender status under
Article I, section 10 of the United States Constitution.

NEW SECTION. Sec. 7. A method of establishing the purity and
weight of gold and silver to be accepted by the state must be published
by the state treasurer based on the most recent fair market value of
gold and silver.

NEW SECTION. Sec. 8. This chapter only applies to taxes and fees
imposed on or after January 1, 2013.

NEW SECTION. Sec. 9. Sections 1 through 8 of this act constitute
a new chapter in Title 43 RCW.
NEW SECTION. Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 11. This act takes effect January 1, 2013.

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