

By: Hall

S.B. No. 1428

A BILL TO BE ENTITLED

AN ACT

relating to the use of silver and gold coins as legal tender.

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

SECTION 1. LEGISLATIVE FINDINGS. The legislature finds and declares that:

(1) the State of Texas is experiencing an economic crisis of severe magnitude caused in large part by the unconstitutional substitution of Federal Reserve notes for silver and gold coin as legal tender in this state; and

(2) immediate exercise of the power of the State of Texas under Section 10, Article I, United States Constitution, is necessary to protect the safety, health, and welfare of the people of this state, by guaranteeing to them a constitutional and economically sound monetary system.

SECTION 2. DEFINITIONS. For the purposes of this Act:

(1) "State" includes the State of Texas and all executive and administrative departments and agencies, courts, instrumentalities, and political subdivisions of the state, and all elected and appointed officials, employees, and agents of the state acting in their official capacities.

(2) "Silver and gold coin" includes coined or minted silver and gold coins of the United States, or silver and gold coins of any foreign nation adopted as money of the United States by authority of the United States Congress pursuant to Section 8,

Article I, United States Constitution. The term does not include any note, obligation security, bill of credit, or other form or species of paper currency or other instrument or document intended to circulate as money emitted or issued by the United States, or any department, agency, or officer of the United States, or by the Federal Reserve System or any board, committee, member bank, instrumentality, official, or agent of the Federal Reserve System.

SECTION 3. LEGAL TENDER. Beginning September 1, 2015, the state shall not recognize, employ, or compel any person or entity to recognize or employ anything other than silver and gold coin as a legal tender in payment of any debt arising out of:

(1) taxation by the state, where the applicable authority for the tax shall mandate the calculation and payment of the tax in silver and gold coin;

(2) expropriation of private property pursuant to the exercise of the power of eminent domain by the state or by any entity privileged by state law to exercise the power of eminent domain; or

(3) judgments, decrees, or orders of any state court or administrative agency in civil or criminal actions or proceedings, except where, and only to the extent that the court or agency granting an award finds, on the basis of clear and convincing evidence, that payment of silver and gold coin does not constitute just compensation for the damages suffered by the prevailing party, and orders:

(A) specific performance of a contract or agreement by other than the payment of money;

(B) specific restitution of identifiable property other than money;

(C) other similar relief; or

(D) contracts or agreements for the payment of wages, salaries, fees, or other monetary compensation to any person, corporation, or other entity that provides goods or services to the state in aid of the performance of governmental functions.

SECTION 4. UNIT AND MEASURE OF LEGAL TENDER. The unit and measure for determining what constitutes legal tender in payment of any debt specified in Section 3 of this Act is the standard silver dollar, containing 371.25 grains (troy) fine silver, as coined or minted by authority of Congress pursuant to Section 8, Article I, United States Constitution.

SECTION 5. VALUE OF SILVER OR GOLD COIN. The value of any silver or gold coin as legal tender in payment of any debt specified in Section 3 of this Act must be denominated as dollars, calculated as follows:

(1) the value of any silver coin shall be calculated by dividing the weight of fine silver in grains (troy) that the coin contains by 371.25 grains, and expressing the quotient in dollars; and

(2) the value of any gold coin shall be calculated by multiplying the weight of fine gold in grains (troy) that the coin contains by the proportion by weight between silver and gold as determined by the comptroller, dividing the resulting product by 371.25 grains, and expressing the quotient in dollars.

SECTION 6. COMPTROLLER CERTIFICATION. At the beginning of each business day, the comptroller shall:

(1) determine the average proportion by weight by which gold exchanges against silver in the major precious metals markets in the state;

(2) immediately make the determination available to any person upon request without charge; and

(3) permanently certify and record the determination.

SECTION 7. STATE RECORDING REQUIREMENTS. Beginning September 1, 2015, the state shall denominate all public accounts and record the value of all public assets and liabilities in standard silver dollars.

SECTION 8. SEVERABILITY. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 9. EFFECTIVE DATE. This Act takes effect September 1, 2015.