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HOUSE BILL 2197

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Shea, Condotta, Young, Taylor, Scott, G. Hunt, and McCaslin

Read first time 03/20/15. Referred to Committee on Judiciary.

1 AN ACT Relating to establishing the constitutional currency  
2 restoration act; adding a new chapter to Title 43 RCW; and providing  
3 an effective date.

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

5 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. (1) The legislature  
6 finds that Washington state is out of compliance with the letter and  
7 intent of the United States Constitution. The legislature further  
8 finds that to secure property rights and ensure a truly free market  
9 economy, sound money is essential. Specifically:

10 (a) The currency system emplaced by the founding fathers in the  
11 federal coinage act of 1792 was based on a United States dollar  
12 defined as 371.25 grains (Troy) of fine silver;

13 (b) Gold and silver-backed currency retains earned wealth in the  
14 hands of the people and has provided civil societies with a fair,  
15 honest, and reliable medium of exchange for over six thousand years;

16 (c) Gold and silver-backed currency decentralizes power in the  
17 free market system and inherently prevents the centralization of  
18 economic control by the government and the ability of government to  
19 confiscate earned wealth through the hidden tax of inflation;

20 (d) Gold and silver-backed currency provides competition in the  
21 currency marketplace and provides greater security to the people of

1 Washington state in protecting their property and other assets from  
2 the hidden tax of inflation;

3 (e) The absence of gold and silver-backed currency wrongly  
4 exposes citizens such as the elderly and those on fixed incomes,  
5 domestic businesses, and other residents of Washington state to the  
6 chronic depreciation of the legal tender fiat money federal reserve  
7 note and significant losses in purchasing power that amounts to the  
8 incremental confiscation of private property without compensation;

9 (f) The general government is in violation of Article I, section  
10 8 of the United States Constitution by emitting bills of credit  
11 through the federal reserve bank, a power not specifically enumerated  
12 and specifically excluded by vote during the constitutional  
13 convention of 1787;

14 (g) The general government was not given the constitutional  
15 authority to create legal tender laws as attested by the fact the  
16 affirmative grant of legal tender power was voted down nine to two  
17 during the constitutional convention of 1787 accompanied by the  
18 following footnote from James Madison's *The Debates in the Federal*  
19 *Convention of 1787* "This vote in the affirmative by Virga. was  
20 occasioned by the acquiescence of Mr. Madison who became satisfied  
21 that striking out the words would . . . only cut off the pretext for  
22 a paper currency, and particularly for making the bills a tender  
23 either for public or private debts";

24 (h) Washington state is required to recognize gold and silver as  
25 legal tender under Article I, section 10 of the United States  
26 Constitution which states "no state shall . . .; make anything but  
27 gold and silver Coin a Tender in Payment of Debts . . .";

28 (i) The state of Washington is in no way impairing contracts  
29 through this act but rather providing the optional use the  
30 constitutionally recognized currency of gold and silver coin;

31 (j) Washington state is required by the fifth amendment to the  
32 United States Constitution and Article I, section 3 of the state  
33 Constitution to protect the property of its citizens from wrongful  
34 seizure of property without due process and compensation;

35 (k) Washington state is required by Article I, section 10 of the  
36 United States Constitution and Article I, section 23 of the state  
37 Constitution not to impair the contracts of its citizens such as  
38 those provided by a bona fide precious metals liquidator;

39 (l) The general government has failed to properly regulate the  
40 value and fix the standard weights and measures of coin as required

1 by Article I, section 8, clause 5 of the United States Constitution  
2 therefore creating the disability of undervaluation and effectively  
3 removing gold and silver from the market as a currency; and

4 (m) The general government has created the disability of taxation  
5 when combined with undervaluation has caused the constitutionally  
6 recognized currency of gold and silver coin to be driven from the  
7 market thereby depriving the several states of the power to provide  
8 their citizens the constitutional currency having long-term value.

9 (2) It is the intent of the legislature that gold and silver be  
10 recognized and used as legal tender in the same manner as federal  
11 reserve notes for the purposes of taxation. The legislature intends  
12 to provide the use of gold and silver as a choice and does not intend  
13 to compel a person to tender or accept gold or silver. It is the  
14 further intent of the legislature to exercise its constitutional  
15 authority and recognize gold and silver coins, precious metal  
16 liquidation systems and contracts as an alternative competing  
17 currency.

18 NEW SECTION. **Sec. 2.** SHORT TITLE. This chapter may be known and  
19 cited as the constitutional currency restoration act.

20 NEW SECTION. **Sec. 3.** DEFINITIONS. "Precious metal liquidator"  
21 for purposes of this chapter is any entity that:

22 (1) Has an established precious metals business in good standing  
23 with all state and local agencies;

24 (2) Has a one hundred percent reserve in clients' precious metals  
25 holdings;

26 (3) Has full coverage insurance against loss of any client's  
27 precious metals holdings;

28 (4) Does not commingle funds from other holding accounts; and

29 (5) Conducts regular independent third-party audits to confirm  
30 the above procedures are followed.

31 NEW SECTION. **Sec. 4.** MONETIZATION. Pursuant to monetary  
32 authority expressly reserved to Washington state in Article I,  
33 section 10 of the United States Constitution, the following is  
34 recognized as legal tender:

35 (1) Federal specie gold and silver coin at any time issued by the  
36 general government of the United States of America; and

1 (2) Transactions by a precious metal liquidator backed by gold  
2 and silver of any size or shape marked by any refiner recognized by  
3 the Chicago mercantile exchange.

4 NEW SECTION. **Sec. 5.** FAIR MARKET VALUE OF GOLD AND SILVER USED  
5 AS CURRENCY. (1) The state treasurer shall establish a fair market  
6 value for coins of gold and silver by posting the most recent Chicago  
7 mercantile exchange closing price of the day preceding for the  
8 respective metal on the state treasurer's web site.

9 (2) In the event of a bona fide declared emergency according to  
10 RCW 43.06.210 where the Chicago mercantile exchange closing price is  
11 unavailable, the state treasurer shall determine the fair market  
12 value of the respective metal for the length of the emergency  
13 declaration or the reopening of the Chicago mercantile exchange,  
14 whichever is sooner, to be posted by averaging the fair market value  
15 of the respective metal as determined by the three largest dealers by  
16 trade volume for the prior year, geographically located within the  
17 boundaries of the state of Washington. For an emergency declaration  
18 longer than thirty days where the Chicago mercantile exchange is also  
19 still closed, the fair market value of the respective metal must be  
20 ratified by an affirmative vote of both houses of the legislature.

21 NEW SECTION. **Sec. 6.** USE OF GOLD AND SILVER IS VOLUNTARY. (1)  
22 The use of gold and silver is strictly voluntary and no person or  
23 entity may compel any other person or nongovernmental entity to  
24 accept gold and silver as legal tender.

25 (2) The treasurer of the state of Washington, the Washington  
26 state department of revenue, and the treasurers of the several  
27 counties of the state of Washington must accept gold and silver in  
28 payment of tender of all debts.

29 (3) This chapter may not be used to impair contractual  
30 obligations, and, except in the case of governmentally assessed  
31 taxes, fees, duties, imposts, dues, penalties, or sanctions, neither  
32 the government nor any of its branches, agencies, subdivisions, or  
33 instrumentalities may compel payment in any particular form of legal  
34 tender inconsistent with the express written or verbal agreement of  
35 transacting parties thereby frustrating the parties' manifest intent  
36 and impairing their contractual obligations.

37 (4) The extent and composition of a person's monetary holdings,  
38 including those on deposit with any financial institution located

1 within the boundaries of the state of Washington, are not subject to  
2 disclosure, search, or seizure, except upon strict adherence to due  
3 process safeguards without exception, including but not limited to:

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

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

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

10 NEW SECTION. **Sec. 7.** This chapter applies to taxes and fees  
11 imposed on or after January 1, 2016.

12 NEW SECTION. **Sec. 8.** Sections 1 through 7 and 10 of this act  
13 constitute a new chapter in Title 43 RCW.

14 NEW SECTION. **Sec. 9.** If any provision of this act or its  
15 application to any person or circumstance is held invalid, the  
16 remainder of the act or the application of the provision to other  
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 10.** This act takes effect January 1, 2016.

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