

HCS SS SCS SB 100 -- MEDIUMS OF EXCHANGE

SPONSOR: Eigel

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Government Accountability by a vote of 12 to 5. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote 6 to 2.

The following is a summary of the House Committee Substitute for SB 100.

This bill provides that the State Treasurer may keep in the custody of the State Treasury an amount of gold and silver greater than or equal to 1% of all state funds, provided that the Treasurer not be required to invest state funds in a manner inconsistent with Article IV, Section 15 of the Missouri Constitution.

The bill exempts virtual currencies, as defined in the bill, from taxation for state, county, or local purposes.

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

This bill requires the State of Missouri to accept gold and silver coinage as legal tender, at spot price plus market premium, for the payment of any debt, tax, fee, or obligation owed. Costs incurred in the course of verifying the weight and purity of the coinage shall be borne by the receiving entity.

Except in cases of civil forfeiture, under no circumstance shall the State of Missouri or any department, agency, political subdivision, or instrumentality thereof seize gold or silver from any person.

The bill prohibits the State of Missouri from requiring payment in the form of any digital currency.

This bill provides that any person may mine digital currency from their private residence, and that any person or entity may have a digital asset mining business in any area of the state zoned for industrial use.

The bill prohibits political subdivisions from limiting sound generated from a digital asset mining business, imposing any requirement that is not also a requirement for data centers in the

political subdivision, or rezoning the area without complying with applicable state and local zoning laws or with the intent to discriminate against a digital asset mining business. The Public Service Commission may set rates reflective of cost to serve, but shall not establish a rate schedule for digital asset mining substantially different from other industrial uses of electricity in similar geographic areas.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the Senate perfected version of the bill.

**PROPONENTS:** Supporters say that investments in gold and silver are the best hedge against inflation available to individual investors and state governments. They express skepticism that the dollar will maintain its value because of actions by the Federal Reserve and a growing international appetite to find a new global reserve currency. If the world moves away from the dollar the US economy will experience hyper inflation. Gold and silver assets will be immune to these problems and will protect the value of people's earnings from diminishing with time.

Testifying in person for the bill were Senator Eigel; Kevin Hertel; Sarah Kearney; Kaleb Walker; Gary Lynn Ridenhour; Patrick Holland; Logan Tice; and Eapen Thampy, Crypto World.

**OPPONENTS:** Those who oppose the bill say they want the bill to make clear that private entities that contract with the state will not be required to accept gold and silver as payment for their services. Businesses should be able to decide what types of payments to accept.

Testifying in person against the bill were Mo Chamber of Commerce; and Mo Healthcare Association.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.