

HCS HBs 1955 & 2257 -- TREATMENT OF CERTAIN STATE FINANCIAL INSTRUMENTS

SPONSOR: Hardwick

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 8 to 3. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 1.

The following is a summary of the House Committee Substitute for HB 1955.

This bill establishes the "Constitutional Money Act" and modifies and creates new provisions relating to the treatment and use of gold and silver.

CUSTODY OF SPECIE BY STATE TREASURER (Section 30.266)

The bill permits the State Treasurer to keep in the custody of the State Treasury an amount of specie less than or equal to 1% of total state investment holdings, effective January 1, 2025.

TASK FORCE ON GOLD AND SILVER (Section 30.267)

The bill creates, as of July 1, 2025, the "Task Force on Gold and Silver", a nine-member task force consisting of:

- (1) Three members of the Senate including two from the majority party and one from the minority party which are appointed by the President Pro Tem;
- (2) Three members of the House of Representatives including two members from the majority party and one member of the minority party which are appointed by the Speaker of the House;
- (3) The State Treasurer;
- (4) The Commissioner of the Division of Finance within the Department of Commerce and Insurance; and
- (5) The Director of the Department of Revenue.

The Task Force examines the practicality of issuing gold and silver coinage in a manner consistent with Article I, Section 10 of the United State Constitution and the possibility of the State accepting gold and silver in payment of obligations to the State.

The Task Force will produce a preliminary report for the General Assembly by December 31, 2025 and a final report by June 30, 2026. The section expires on July 1, 2027.

TREATMENT OF CERTAIN CAPITAL GAINS(Section 143.121)

Currently, all purchases of bullion and investment coins are exempt from all State and local sales taxes. This bill additionally exempts from State income tax the portion of capital gain on the sale or exchange of gold and silver specie that is otherwise included in the taxpayer's Federal adjusted gross income. The bill also details the handling of capital gains on municipal bonds under specified circumstances.

CONSTITUTIONAL MONEY ACT(Section 408.010)

The bill establishes the "Constitutional Money Act", which adds to the legal tender section and defines "bullion", "legal tender", "specie", and "specie legal tender". The Act also prohibits the State or any department, agency, court, political subdivision, or instrumentality thereof from:

(1) Seizing from any person any specie legal tender that is owned by such person, except as otherwise provided by law. Any person whose specie legal tender is seized in violation of this provision shall have a cause of action in a court of competent jurisdiction, with any successful such action resulting in the award of attorney's fees;

(2) Enforcing or attempting to enforce any Federal acts, laws, executive orders, administrative orders, rules, regulations, statutes, or ordinances infringing on the right of a person to keep and use specie legal tender as provided in this bill;

(3) Restricting in any way the ability of a person to acquire specie legal tender in transactions; or

(4) Enacting any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

The Act also describes the treatment of short-term gain or loss from the sale or exchange of gold and silver.

This bill is similar to SB 735 (2024) and SS SCS SB 100 (2023).

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

PROPONENTS: Supporters say that five states have already enacted similar laws. Gold is a finite supply, unlike paper money, which can be printed at will. There are many free market solutions for the use of gold and silver.

Testifying in person for the bill were Representative Hardwick; Arnie C. Dienoff; Liberty Link Missouri; Warren County Republican Committee; Kevin Halderman; Jacqueline Thorstensen; Jim Pelis; Doug Frame; and Patrick Holland.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say money is a medium of exchange. Prior to 1913, paper money in the U. S. had to maintain an ounce-for-ounce reserve. Gold maintains its purchasing power. Specie must be uniform and recognizable, while "goldbacks" are one portable bill form.

Testifying in person on the bill were Dr. Jim Forsythe, Citizens for Sound Money; and Daniel Diaz, Citizens For Sound Money.

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.