

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1527H.02P  
Bill No.: Perfected HCS for HB Nos. 433 & 630  
Subject: Banks and Financial Institutions; Attorney General; State Treasurer  
Type: Original  
Date: April 23, 2025

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Bill Summary: This proposal modifies standards for storage and use of gold and silver.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(Could exceed \$668,080)	(Could substantially exceed \$192,779)	(Could substantially exceed \$196,005)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$668,080)</b>	<b>(Could substantially exceed \$192,779)</b>	<b>(Could substantially exceed \$196,005)</b>

\*Oversight notes the stated amounts above (\$668,080 in FY 2026, and roughly \$193,000 per year thereafter) only reflect the administrative costs for the Department of Revenue to hire an Assayer in the verification of the weight and purity of any special legal tender or electronic currency as the state shall now accept gold and silver as payment. Any other state department that accepts payments may also incur similar costs, depending upon the rules promulgated by the DOR. Oversight does not have enough information to estimate a loss to the state regarding §143.121 (deduction of capital gains from sale of gold and/or silver from MAGI); however estimates from the Department of Revenue and the Office of Administration - Budget note this loss is unknown but potentially significant.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue	Could exceed 2 FTE	Could exceed 2 FTE	Could exceed 2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Could exceed 2 FTE</b>	<b>Could exceed 2 FTE</b>	<b>Could exceed 2 FTE</b>

\*DOR assumed the need for an additional FTE Assayer to verify the weight and purity of any gold or silver coinage during any such transaction as the state shall now accept gold and silver coins as payment as well as a Customer Service Representative. Other state departments that accept payments may also find the need for additional FTE for weight and purity verification as well as storage/handling.

- ☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 143.121 Capital Gains and MAGI

Officials from the **Office of Administration – Budget and Planning (B&P)** notes this section would allow Missouri taxpayers to subtract any capital gains from the sale or exchange of gold and/or silver from the taxpayer's Missouri Adjusted Gross Income (MAGI), if such capital gains were included in the taxpayer's Federal Adjusted Gross Income (FAGI), beginning with tax year 2025.

B&P is unable to determine the amount of capital gains claimed by Missouri taxpayers. However, the total amount of capital gains claimed during tax year 2022, the most recent complete year available, was \$4,162,253,341. If even 1% of the capital gains resulted from the sale or exchange of gold and/or silver, B&P estimates that the loss to GR would have been \$1,956,259 ( $\$4,162,253,341 \times 1\% \times 4.7\%$ ). Therefore, B&P estimates that this provision may have an unknown, but significant, loss to TSR and GR beginning with FY27 (for tax year 2026 capital gains).

Officials from the **Department of Revenue (DOR)** state this proposal requires that a taxpayer be allowed to subtract the amount of capital gain they receive from the sale or exchange of specie from their Federal Adjusted Gross Income (FAGI) when calculating their Missouri Adjusted Gross Income (MAGI) thus lowering their taxable income. DOR notes this proposal says that the definition of “specie” is to use the definition in Section 408.010. Section 408.010 defines specie as silver coins of the United States that are legal tender. Therefore, this would be nickels, dimes and quarters.

DOR notes that capital gains would occur on these products when they are sold to a coin dealer. DOR is unable to determine the number of coins sold annually or for what value.

Taxpayers report the sources of the capital gain on their federal tax returns and only their FAGI number is reported on the Missouri tax return. Therefore, DOR is unable to determine how much capital gain is reported from the sale or exchange of specie in Missouri.

The Internal Revenue Service SOI data for 2021 (the most complete year) shows that total capital gains reported on the returns for the State of Missouri equaled \$22,498,638,000. If just 1% of these capital gains was a result of either specie this could result in a loss to general revenue of \$10,574,360 ( $\$22,498,638,000 \times 1\% \times 4.7\%$  tax rate).

This will require an additional line be added to the MO-A form (\$2,200), information would need to be added to their website and this would need to be added to their individual income tax computer system (\$7,327). These costs are estimated at \$9,527.

**Oversight** has no basis to provide an estimate; therefore, will reflect an unknown loss, potentially significant, to the General Revenue Fund from this section.

#### Section 408.010 – Legal Tender

In response to the previous version, officials from the **Office of Administration** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, HB 630 (2025), officials from the **Office of Administration (OA)** assumed this legislation has the potential to impact OA, as it authorizes the payment of certain debts in specie, and requires the receiving party to pay the cost of assaying the coinage. This could result in costs to the state to verify the weight, purity, and value of the gold or silver coinage. If assaying services are not immediately available, legal issues could arise if the coins are determined after payment to be different in valuation than anticipated at the time of payment. Section 408.010 also prohibits the enforcement, or attempts to enforce, federal laws or infringing on the rights of persons to keep and use specie and electronic currency. This could result in additional claims being brought against the state, although such costs are unknown as the number of potential claims that may be asserted against the state, the severity of those claims, and the ultimate costs associated with any settlement or judgment resulting from those claims cannot be forecasted with any degree of assurance to their accuracy.

**B&P** states Section 408.010 would allow gold and silver coinage to be legal tender in Missouri. B&P notes that certain gold and silver coins are already considered legal tender under Federal law. However, federal law prohibits the use of privately created gold and/or silver coins from being used as currency.

This section requires DOR to promulgate rules for the method(s) of accepting gold/silver specie for debts owed to the state. This section also allows employers to pay employees in gold/silver specie, if the employee requests such pay.

In response to similar legislation, SS/SCS/SB 735 (2024), officials from **B&P** stated in addition, state agencies would be required accept gold and silver at their spot price plus market premium, rather than at their par value. B&P notes that the spot price changes daily, which in turn impacts the market premium. B&P further notes that under current law the par value for gold is \$42.22 per ounce. While the spot price for gold on 2/2/2023 was \$1,932.00 and the spot price for silver was \$0.76 per gram. In addition, the market premium for gold is currently 2% - 3.75%. This proposal does not specify which rate the state should use when calculating a dollar value for the market premium. Therefore, on 2/2/2023 the state would have to accept an ounce of gold for \$ 1,070.64 to \$2,004.45 per ounce. B&P notes that because the spot price changes daily, it is possible that an agency could accept a certain dollar value of gold and/or silver one day, but receive a different amount when those assets were converted to dollars. Therefore, this provision may have an unknown impact on TSR, GR, and other state funds.

Officials from the **DOR** state this provision allows specie legal tender and electronic currency to be accepted as legal tender in Missouri and shall be allowed for the payment of all debts, taxes, fees and obligations owed. This proposal does not specify that the specie be minted by the U.S. Mint or that the electronic currency be a currency that is considered legal tender. Therefore, this proposal would allow people to create their own coins and currency.

The State and DOR already accept all coins minted by the U.S. Mint as they are considered legal tender. This includes the commemorative coins printed but not widely used in financial transactions. Additionally, DOR allows for the use of credit and debit cards that are based on physical currency.

**DOR** state they receive, process and deposit the majority of all state revenue. DOR receives sales tax, individual income tax, corporate tax and various taxes and fees collected by state agencies that is then brought to DOR for deposit. However, DOR does not accept and will continue to **not** accept any coinage that is in violation of 18 U.S. § 486. Acceptance of coins not considered legal tender per this federal statute can result in felony charges being brought by the Federal Government. While this proposal does not address the issue, DOR assumes they would only accept specie coins created by the U.S. Mint or Federal Government and can refuse any other coins.

This proposal removes the prohibition of people paying their entire state debt in coins. Prior to this prohibition being in place, DOR would receive envelopes full of coins. Removing this language would allow customers to send in envelopes of coins and require DOR to get coin counting machines. They would need at least one for their Taxation Division, and one each for their Motor Vehicle and Driver License Divisions. These machines are estimated to cost \$250 each.

This proposal would require the State of Missouri to accept specie legal tender and electronic currency as payment of any debt. It says that the cost incurred in the course of verification of the “weight and purity” of any specie legal tender or electronic currency received must be borne by the receiver (the State). DOR assumes that since the majority of state revenue comes to the Department, they would be responsible for the verification process.

It should be noted that verification of the “weight and purity” of gold and silver can only be done by a certified Assayer. DOR is unable to determine who is certified to verify the “weight and purity” of specie legal tender or electronic currency. They assume it would require the equivalent of an Assayer. DOR does not currently have one on staff. Research indicates their average salary is around \$75,000 annually. DOR assumes they will need to have at least one full-time Assayer in their Jefferson City headquarters building where the majority of all payments are received. If DOR is required to accept specie legal tender or electronic currency at all of their locations (5) and license offices (173) they would need an Assayer at each location. For purposes of the fiscal note, they assume all taxpayers wishing to pay using these methods would need to conduct their business in the Jefferson City Headquarters Building.

DOR notes that most revenue collected by the state agencies is processed by DOR. If DOR is required to provide the Assayer for all citizens wishing to pay with specie legal tender or electronic currency, those citizens would be required to go to the DOR Jefferson City Headquarters. This will require DOR to build a central computer system to issue receipts and track payments. This program could be expected to cost up to \$100,000 for all agencies.

Should there be a large volume of people coming to their office, they would need an Associate Customer Service Rep. (\$37,020) to handle appointments and paperwork.

It should be noted that specie legal tender and electronic currency are commodities that change in value daily like stocks on the stock exchange. Once the price is determined through the verification process, by the time DOR is able to process the payments and get them to a bank to convert to dollars, the price could have changed again. This could result in a loss to the state if prices drop.

DOR notes they would need to get a contract with a bank that can handle the transfer of these types of payments. Their current contract does not cover it. DOR is unable to estimate the cost of such a contract.

It should be noted that this provision would become effective on August 28, 2025. The Department notes that until the Assayer is hired, a bank contract is issued, security measures are increased, and the computer systems are programmed to accept these other types of payment, the Department will not be able to accept these payments. Getting these items may take time.

Missouri would be the first state to accept specie legal tender and electronic currency not created by the Federal Government. While other states have passed laws providing their state with language allowing rolling compliance with acceptance of currency types like these should the federal government make these types of legal tender, none have allowed the paying of a currency that is not legal tender. Therefore, DOR is unable to obtain information as to the number of people wishing to use alternative currency or the costs of providing these alternatives. DOR assumes that this proposal:

- Requires the hiring of at least one Assayer. \$75,000 salary
- Requires the specialized equipment needed for the Assayer to use to determine the value of the specie and electronic currency. Up to \$10,000
- It will require at least three coin-counters for each of their divisions. \$250 each.
- Modifications to the Headquarters Building to house the Assayer, their equipment and a large safe to store the specie until it can be transferred to the bank.
- The State will need a new contract with a bank that can handle these currency types.
- Larger safe for their Cashiering team that receive money from other agencies for deposit. Their current safe is not designed to handle large sums of coins, or specie.
- Additional security services may be needed if a large volume of specie is received into their building.

- Updates to their numerous payment systems to recognize that these types of payments were made. These would include taxation's MyTax, and the motor vehicle and driver license systems' FUSION. ITSD estimates at least \$38,000 for the necessary updates per division (3 divisions x \$38,000 = \$114,000).

DOR estimates these additional costs for their building, equipment and security could exceed \$250,000.

This proposal in 408.010.5 requires any entity doing business in Missouri to pay compensation to an employee that requests it, in specie legal tender or electronic currency. DOR notes that this would impact all employers in the State and not just state employees. The Office of Administration is responsible for paying state employees and DOR defers to them for impact of this section.

**Oversight** notes Subsection 408.010.5 is permissive ("may") to employers and employees. Oversight assumes both the employer and employee would have to agree to pay wages in specie legal tender. Therefore, Oversight will assume the proposal would not require OA to pay state employees in specie legal tender; therefore, Oversight will not reflect a fiscal impact from this part of the proposal.

Officials from the **Department of Corrections (DOC)** state Section 408.010 would require the department to accept payment for debts in gold and silver. The legislation requires the department to bear the costs in determining the weight and purity of the gold and silver. The DOC currently processes approximately 93,000 payments a year for intervention fees and it is unknown what percentage of transactions would be moved to gold/silver. This legislation could create an unknown cost with the processing of payments and reconciling the value of the silver/gold, determined by the department with the value determined by the bank.

The proposed legislation would also require DOC to accept electronic currency for the payment of debts. The department would need to contract with a company to accept the electronic currency and have it converted to US dollars for deposit. Currently, the department's contracted bank does not accept deposits of gold and silver. Therefore, the DOC estimates an unknown impact.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state if this bill is interpreted to allow the Division of Employment Security (DES), Division of Workers' Compensation (DWC) and Division of Labor Standards (DLS) to accept Gold/Silver coinage in the repayment of debt, this could cause an unknown impact to DES, DWC and DLS. The DES, DWC and DLS would incur the cost of the verification of the weight and purity of the Gold/Silver. At this time, DOLIR does not have a way to estimate the cost.

Officials from the **Department of Mental Health (DMH)** state they are unable to determine when and how often the department would receive payment in the form of gold or silver coins. Accepting payment in this form would create a substantial burden on DMH due to calculating

value, determining purity and authenticity, and cost of depositing or selling. The fiscal impact from this additional administrative work is unknown.

While coins minted by the US Treasury are legal tender, they are not widely used in financial transactions. The proposal states the state shall accept gold and silver coinage but does not specify that coinage must be minted by the US Treasury. Gold and silver coins created outside the US Treasury are not excluded. U.S. Const., Art. 1, §10, cl. 1 allows states to recognize gold and silver coinage as tender; however, the limits of this provision are largely untested in federal courts.

Officials from the **Missouri Lottery Commission** state this legislation would require the Missouri Lottery to absorb administrative expenses of testing the purity and weight of specie for retailers to choose to pay in that method as well as methods to transport, account for, and secure specie until such specie could be disposed of as appropriate. To the extent that this bill would require the lottery to accept electronic currency based upon the value of gold and silver, the Lottery would be required to amend its existing contract with its computer gaming systems provider to add this functionality. Such an amendment could be costly as the Lottery is not aware of any other state Lottery with a similar requirement. Additional administrative expenses may reduce the lottery's net revenue.

408.010.3 – The Lottery assumes retailers will absorb the cost of delivery of specie currency to the Lottery if it chooses to pay in such a manner. To the extent the specie requires testing to determine the purity and weight of specie currency, the Lottery assumes that such services will be provided through a statewide contract because all agencies will be required to accept specie as legal tender. The Lottery defers to the Office of Administration in regards to the cost of such contract. To the extent that the Lottery is required to accept “electronic currency” representing the value of gold or silver specie, the Lottery will be required amend its current contract with its computer gaming systems provider to add such functionality. Such costs would likely be reflected as a percentage of ticket sales, but the Lottery is unable to estimate the cost of such amendment as it is unaware of any other state lottery that operates under a requirement to accept specie currency.

Officials from the **Department of Social Services (DSS)** state the **MO HealthNet Division (MHD)** is unable to determine how many people will want to pay with gold and silver rather than other forms of payment. Currently, the MHD has no way to determine the verification of the weight and the value of the purity of the gold or silver upon acceptance. If a participant chooses to pay with either gold or silver, the MHD would have to seek out different options in order for that payment to be assessed, including but not limited to, seeking out an Assayer to determine its value. The MHD assumes these instances would be minimal and therefore, would be minimal to no impact to the MHD.

This proposal in 408.010.4 also prevents all state and local governmental bodies from seizing any gold or silver that is owned by a person. Per RSMo 473.398, MHD is directed to collect debts owed to the State related to Medicaid claims. If all or a portion of assets are in gold or



silver, it could limit the amount MHD can collect. The MHD is estimating that up to 1% of collections could be impacted by this legislation. On average, the MHD collects around \$18 million per year. Therefore, the impact to MHD is \$0 to \$180,000 per year.

FY26: Total - \$0 - \$180,000

FY27: Total - \$0 - \$180,000

FY28: Total - \$0 - \$180,000

**FSD:**

**Section 408.010:**

**Income Maintenance (IM):**

Currently, FSD Income Maintenance (IM) does not accept any payment for any programs administered by IM. However, when an individual has been found to have incorrectly received benefits administered by FSD, a claim is filed and payment for the overpayment is submitted as repayment to the Department of Finance and Administrative Services (DFAS).

**Child Support (CS):**

Proposed subsection 408.010.2 would allow specie and electronic currency to be legal tender in Missouri.

This proposal will require the FSD CS program to accept specie and electronic currency as payment for child support obligations, for annual federal fee payments made by the obligor and for recovery payments. Child support payments are processed by FSD's State Disbursement Unit, the Family Support Payment Center (FSPC) which is run by FSD's contractor Systems & Method, Inc. (SMI). Fees and recovery payments are processed by the Division of Finance and Administrative Services (DFAS). FSD assumes specie legal tender to be precious metal (gold, silver, platinum and palladium) coin that is issued by the federal government and any other specie. FSD also assumes electronic currency is digital currency that encompasses any currency, money or money-like asset that is stored or exchanged on computer systems.

Under proposed 408.010.3, the FSD CS program will be required to accept specie legal tender and electronic currency. Specie coinage is a commodity that changes in value daily. Depending on the time it takes to convert the specie, the spot price could have changed leaving a balance or excess amount. Electronic currency (cryptocurrency) is influenced by supply and demand that creates a price volatility that could change the value. Depending on the time it takes to convert the electronic currency, the value of the currency could change leaving a balance or excess amount.

The FSD CS program is unable to determine how many people will want to pay with specie legal tender or electronic currency rather than other forms of payment but it is assumed it would be minimal. Currently, the FSD CS program has no experience or ability to accept specie legal tender or electronic currency as payment.

In order to comply with accepting specie legal tender, the FSD CS program would need to enter into a contract with a financial entity that would accept and convert the specie into a form of payment accepted by FSPC. FSD CS or the financial entity may also need to contract with an assayer that would be able to verify the weight and value of the purity of the specie.

In order to comply with accepting electronic currency, FSD assumes, for the purpose of this fiscal note, OA Accounting would enter into a contract with a financial broker that would accept electronic currency and convert the electronic currency into a form of payment accepted by FSD.

The FSD CS program notes that under 408.010.6 (1), obligors could move assets into specie legal tender or electronic currency in order to avoid having assets attached by the FSD CS program for child support. It is unknown how many obligors may move assets into specie legal tender or electronic currency and the negative impact for this is unknown.

The FSPC collects and disburses payments for child support cases meeting the criteria under 454.530, RSMo, and [45 CFR 302.32](#). FSPC is required under federal and state law to disburse support payments within two business days after receipt. The FSD CS program would be required to process and disburse child support payments received in specie or electronic currency within the two day time frame to be in compliance with the Title IV–D state plan. As the specie and electronic currency would have to be authenticated and converted into a form of payment accepted by the FSPC prior to the FSPC processing and disbursing the payment, the FSD CS program anticipates the processing time could exceed the two–day time frame required for payment disbursement thereby risking state compliance.

If the FSD child support program does not disburse payments within two business days of receipt, Missouri could have IV–D state compliance implications. Title IV–D state plan noncompliance will result in the loss of federal funding for the state’s child support program (\$52.4 million for FFY 2024). Having an approved Title IV–D state plan is a condition of eligibility for a Temporary Assistance for Needy Families (TANF) block grant under Title IV–A of the Social Security Act. If the Federal government determines Missouri’s IV–D state plan is noncompliant, Missouri’s TANF funding (\$216.3 million) could potentially be reduced. FSD is unsure how much the reduction in funding would amount to; therefore, this amount is not included in the overall fiscal impact of this legislation. In order to continue child support program services at its current level, any loss of federal funding would have to be replaced with general revenue. Therefore, the fiscal impact of non–compliance would range from \$0 to \$52.4 million general revenue.

FSD assumes that any form of electronic currency would need to be liquidated into cash form to be able to receive as payment. FSD assumes that a financial broker would be procured by the state of Missouri to handle this function for all departments.

FSD defers to OA-Accounting for the fiscal impact to receive electronic currency as a form of payment.

The FSD estimates that the impact of entering into a contract with a financial entity and/or assayer to process specie legal tender will be \$0 to \$100,000 per year.

**Therefore, the total DSS impact would be \$0 to \$280,000 per year.**

Officials from the **City of Kansas City** assume the proposed legislation has a negative fiscal impact of an indeterminate amount.

In responses to the previous version, officials from the **City of Kansas City** stated the Constitutional Money Act has a negative fiscal impact because of the cost of verification of weight and purity and it must be performed by an Assayer. There are only four in Missouri. The average salary is \$61,000. The City will not be to seize gold and silver. Therefore, if the City has a judgment, the person can convert it to gold or silver and avoid taxes. In addition, because gold and silver are commodities there can be wide value fluctuations between the time of payment versus sale.

**Oversight** will reflect a potential cost to all state agencies as well as local political subdivisions of an unknown amount for the administrative burden of accepting, valuing, storing and depositing gold and silver payments.

#### Section 408.010.6 Seizing of specie legal tender

Officials from **B&P** state this section further prevents all state and local government bodies and courts from seizing any gold and silver held by a person, except as provided under the Criminal Activity Forfeiture Act. B&P notes that this would allow individuals and businesses to store or move assets into gold and/or silver to avoid having assets seized. This would allow taxpayers to move their assets to gold and/or silver coins to avoid paying back taxes to the state. Therefore, this provision may have a negative unknown impact to TSR, GR, as well as other state and local funds.

Officials from the **Department of Revenue** state 408.010.6(1) prevents all state and local governmental bodies from seizing any specie legal tender or electronic currency that is owned by a person. If a taxpayer owes DOR back taxes, they will have the opportunity to move all their income to specie legal tender or electronic currency and prohibit DOR from being able to collect the back taxes owed. DOR is unable to determine how much this will impede their collection efforts. This impact is expected to be unknown.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero to unknown cost to the general revenue fund as well as local governments in the fiscal note for the removal of gold and silver coins as seizable assets.

Bill as a whole:

Officials from the **Department of Commerce and Insurance (DCI)** believe the costs of this bill can be absorbed within their current appropriations. However, should the cost be more than anticipated, DCI would request an increase to their FTE and/or appropriations as appropriate through the budget process.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, Department of Public Safety-Director's Office, the Department of Natural Resources, the Missouri Highway Patrol, Office of the Governor, Missouri Department of Conservation, the Missouri Department of Transportation, the Missouri Ethics Commission, Office of Administration, and the Missouri National Guard** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

Officials from the **Missouri Department of Agriculture** defer to the **Office of Administration** for the potential fiscal impact of this proposal.

Officials from the **Department of Health and Senior Services (DHSS)** defer to the **Department of Revenue** for the potential fiscal impact of this proposal. DHSS assumes the

Department of Revenue will set the rules and regulations related to the storage and use of gold & silver.

Officials from the **City of Osceola** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Loss</u> – DOR §143.121 – capital gains on the exchange of gold and silver now a deduction for MAGI calculation	\$0	(Unknown – potentially significant)	(Unknown – potentially significant)
<u>Costs</u> – DOR §408.010	Could exceed...	Could exceed....	Could exceed.....
Personal Service	(\$93,350)	(\$114,260)	(\$116,546)
Fringe Benefits	(\$63,735)	(\$77,379)	(\$78,296)
Expense & Equipment	(\$26,718)	(\$1,140)	(\$1,163)
Coin Machines	(\$750)		
Computer for gold/central computer system	(\$214,000)		
Assayer equipment	(\$10,000)	\$0	\$0
MAGI updates	(\$9,527)	\$0	\$0
Security measures & building modifications	(\$250,000)	\$0	\$0
<u>Total Costs</u>	(\$668,080)	(\$192,779)	(\$196,005)
FTE Change	2 FTE	2 FTE	2 FTE
<u>Costs</u> – Various State Agencies - §408.010 – potential cost to verify the weight and purity of any gold or silver coinage received as payment	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – OSCA - potential increase in additional case work	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss</u> – DOR §408.010.6 – removal of gold and silver coins as seizable assets	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE</b>	<b>(Could exceed <u>\$668,080</u>)</b>	<b>(Could substantially exceed <u>\$192,779</u>)</b>	<b>(Could substantially exceed <u>\$196,005</u>)</b>
Estimated Net FTE Change on General Revenue	Could exceed 2 FTE	Could exceed 2 FTE	Could exceed 2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> – Local governments - §408.010.2 – potential cost to verify the weight and purity of any gold or silver coinage received as payment - specie legal tender and electronic currency shall be accepted as legal tender for all payment of all public debts	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - §408.010.6 – removal of gold and silver coins as seizable assets	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	(Unknown)	(Unknown)	(Unknown)

#### FISCAL IMPACT – Small Business

Small businesses that want to utilize gold and silver as currency would be impacted by this proposal.

#### FISCAL DESCRIPTION

This bill relates to the sole purpose of regulating the treatment and use of gold and silver.

#### INCOME TAXATION ON GOLD AND SILVER SPECIE (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 are otherwise included in the taxpayer's Federal adjusted gross income.

#### LEGAL TENDER (Section 408.010)

The bill establishes the "Constitutional Money Act" and declares that "specie legal tender" and "electronic currency", as those terms are defined in the bill, will be accepted as payment for all public debts and may be received as payment for all private debts contracted for in the state of Missouri, at the discretion of the receiving entity.

The Director of the Department of Revenue is required to promulgate rules on the methods of acceptance of specie legal tender as payment for any debt, tax, fee, or obligation owed. Costs

incurred in the course of verification of the weight and purity of any specie during any such transaction will be borne by the receiving entity.

Except as expressly provided by contract, no person or entity will be required to use specie legal tender or electronic currency in the payment of any debt and nothing in this bill will prohibit the use of Federal reserve notes in the payment of any debt.

The bill permits any entity doing business in this State to, upon request by an employee, compensate its employees, in full or in part, in the dollar equivalent specie legal tender either in physical or in electronic transfer form. Any entity choosing to compensate its employees in specie legal tender will be responsible for verifying the weight and purity of any physical specie legal tender before compensating employees.

Under no circumstance will the state of Missouri or any department, agency, court, political subdivision, or instrumentality thereof:

- (1) Seize from any person any specie legal tender or electronic currency that is owned by the person, except as otherwise provided by law. Any person whose specie legal tender or electronic currency is seized in violation of this provision will 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) Enforce or attempt 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 and electronic currency as provided in the bill;
- 3) Restrict in any way the ability of a person or financial institution to acquire specie legal tender and electronic currency or use specie legal tender and electronic currency in transactions; or
- (4) Enact any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Attorney General's Office  
Office of Administration – Budget & Planning  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Health and Senior Services  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations



Department of Revenue  
Department of Public Safety – Directors Office  
Missouri Highway Patrol  
Department of Social Services  
Office of the Governor  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri Department of Transportation  
Missouri National Guard  
Office of Administration  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Missouri Lottery Commission  
Office of the State Courts Administrator  
City of Kansas City  
City of Osceola



Julie Morff  
Director  
April 23, 2025



Jessica Harris  
Assistant Director  
April 23, 2025