

APPENDIX B TO CHAPTER 2

MODEL STATE ACT FOR THE MONETIZATION OF SILVER AND GOLD COIN
WITH RESPECT TO ESSENTIAL SOVEREIGN FUNCTIONS

AN ACT relating to the designation and use of silver and gold coin as media of exchange and legal tender with respect to essential sovereign functions in the State of _____. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF _____:

SECTION 1. The Legislature of the State of _____ finds and declares that—

(a) The substitution of Federal Reserve Notes and coinage composed of base metals for silver and gold coin as the media of exchange and legal tender between this State and its citizens, in the exercise of the State's essential sovereign functions, powers, privileges, and duties, abridges, infringes on, and interferes with the sovereignty and independence of this State and its citizens, and their rights, powers, privileges, immunities, and prerogatives as a political community, as well as exposing them to serious economic problems.

(b) In order to preserve the sovereignty and independence of this State and its citizens, and their rights, powers, privileges, immunities, and prerogatives as a political community, as well as to protect and promote the people's safety, health, welfare, and economic prosperity, it is imperatively necessary and proper for the Legislature to guarantee to this State and its citizens constitutional and economically sound media of exchange and legal tender by exercising

(1) this State's power, privilege, and duty to "make * * * gold and silver Coin a Tender in Payment of Debts", as reserved to and required of each State under Article I, Section 10, Clause 1 of the Constitution of the United States, and confirmed by the Tenth Amendment thereto, and

(2) other powers, reserved to this and every State by the Tenth Amendment, which relate to this State's choice of media of exchange and legal tender for the fulfillment of its essential sovereign functions.

SECTION 2. For the purposes of this Act—

(a) The term "State" shall include the State of _____, and all legislative, executive, judicial, and administrative branches, departments, tribunals, and agencies, political subdivisions, and instrumentalities thereof, and all elected and appointed officials, employees, agents, and independent contractors thereof acting in their official capacities or under color of law or contract.

(b) The term "domestic silver and gold coin" shall include the silver and gold coins of the United States whenever coined or minted, and such silver and gold coins of any foreign nation that, at the time of any use pursuant to this Act, shall have been adopted as "Money" of the United States, by authority of Congress pursuant to Article I, Section 8, Clause 5 of the Constitution of the United States.

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(c) The term "foreign silver and gold coin" shall include the following coins:
 (1) gold coin — Austrian 100 coronas, 20 coronas, 4 ducats, 1 ducat; British sovereign; Canadian 1, 1/2, 1/4, 1/10 maple leaf; French 20 francs; Swiss 20 francs; Mexican 50, 20, 10, 5, 2-1/2, 2 peso; South African 2, 1, 1/2, 1/4, 1/10 Krugerrand;
 (2) silver coin — Canadian 1 maple leaf.^[1]

Provided, however, that this Act shall not apply to any domestic or foreign silver or gold coin the numismatic or collectors' character of which renders its economic value (expressed in "dollars") in the market for numismatic or collectors' coins greater by at least per centum than the "value" calculated simply on the basis of the coin's content of silver or gold, pursuant to SECTIONS 3 and 4 of this Act.

SECTION 3. For all purposes of this Act, the unit and measure of "value" shall be the constitutional, or standard, silver "dollar" of the United States of America, containing 371.25 grains (troy) fine silver, as originally adopted in Article I, Section 9, Clause 1 of the Constitution of the United States, and the Seventh Amendment thereto; historically determined in Section 9 of the Coinage Act of 2 April 1792, chapter 16, 1 *Statutes at Large* 246, 248; and coined or minted in the aforesaid weight of silver by authority of Congress from time to time pursuant to Article I, Section 8, Clause 5 of the Constitution of the United States.

SECTION 4. For all purposes of this Act, the "value" of any silver and gold coin shall be denominated in "dollars" (\$), such denomination to be calculated as follows:

(a) the value of any silver coin shall be determined by dividing the weight in grains (troy) of fine silver that the said coin shall contain by 371.25 grains, and expressing the quotient in "dollars"; and

(b) the value of any gold coin shall be determined by multiplying the weight in grains (troy) of fine gold that the said coin contains by the proportion by weight by which silver exchanges against gold in the markets for precious metals, as determined by the Treasurer of this State as provided in SECTION 5 of this Act, dividing the product of such multiplication by 371.25 grains, and expressing the quotient in "dollars".

Provided, however, that if in the market for numismatic or collectors' coins any domestic or foreign silver or gold coin shall have a value (expressed in "dollars") greater by at least per centum than its "value" calculated simply on the basis of that coin's content of silver or gold, pursuant to SECTION 3 and SUBSECTIONS (a) and (b) of this SECTION of this Act, then the "value" for such coin shall be its numismatic or collectors' value (expressed in "dollars").

SECTION 5. At the beginning, midpoint, and end of each business day, the Treasurer of this State shall determine both (i) the average proportion by weight by which silver exchanges against gold in the major markets for precious metals in ,^[2] and (ii) the "value" in silver "dollars" of each coin identified in SECTION 2 of this Act, pursuant to the formulae set out in SUBSECTIONS (a) and (b) of SECTION 4 of this Act, and

(a) shall immediately publish such determinations in such media, including but not necessarily limited to the Internet, as shall make the said determinations readily available on a timely basis to all interested persons;

(b) if the Treasurer shall find it technically feasible, shall make and publish the determinations required in this SECTION of this Act at intervals more frequent than heretofore mandated;

(c) shall certify, record, and archive all such determinations in the Treasury; and

(d) shall make available any and all archived determinations to any person upon request therefor, without charge.

SECTION 6. Any certified determination made under SECTION 5 of this Act shall be conclusive evidence in all the courts, administrative agencies, and other tribunals of this State as between any and all private persons or parties, as well as between this State and any and all other parties, the rights, powers, privileges, immunities, or other legal or equitable interests of which such determination shall or may affect. *Provided, however,* that any person aggrieved by a false certification may bring an action in the Courts of this State against the Treasurer for any and all forms of appropriate relief.

¹ These particular coins are designated simply for purposes of illustration, and not by way of exclusion of other coins a State legislature might deem appropriate to adopt as part of its State's media of exchange.

² Each legislature must determine what "major markets" are most suitable for its particular State's circumstances.