



Written by [Joe Wolverton, II, J.D.](#) on March 19, 2018

Wyoming Law Removes Penalty From Using Gold and Silver, Restoring Sound Money

The Wyoming state legislature has passed by large majorities a bill that will remove tax penalties from people who choose to use gold and silver specie as a currency of exchange.

The Wyoming Legal Tender Act restores sound money in Wyoming, and on March 14, the bill became law without Governor Matt Mead's signature.

Campaign for Liberty Chairman Ron Paul and Wyoming Campaign for Liberty State Coordinator Cathy Ide issued the following statements regarding the Wyoming Legislature's passage of HB 103.



"Many thanks go to our bill sponsor, Representative Roy Edwards. His hard work on HB 103 and that of our dedicated grassroots supporters, led to an astounding 55-5 favorable House vote and 25-5 Senate vote," said Ide. "As a result, Wyoming citizens will no longer be punished with any taxes simply for choosing to use gold as money, as laid out by the U.S. Constitution."

"Passage of the Wyoming Legal Tender Act is the latest sign that dissatisfaction with the Federal Reserve's money monopoly — and the movement to change our fiat currency system led by my Campaign for Liberty — is alive and growing," Ron Paul wrote in a press release announcing the official enactment of the measure.

Section 9-4-1304 establishes the exemptions for sound money, specifically declaring:

No specie or specie legal tender shall be characterized as personal property for the purposes of property taxation.

The exchange of one (1) type or form of legal tender for another type or form of legal tender shall not give rise to any tax liability of any kind.

The purchase, sale or exchange of any type or form of specie or specie legal tender shall not give rise to any tax liability of any kind.

In plain English, this proposal would provide a way for men and women of Wyoming to buy and sell gold and silver without having to treat it as a capital gain, thus reducing the reach of the Federal Reserve inside the state of Wyoming.

Before passage of the Wyoming Legal Tender Act, the laws of that state required that all debts be paid in Federal Reserve notes or in coins issued by the government of the United States. This is in direct contradiction to Article I, Section 10 of the U.S. Constitution, which reads, "No State shall ... make any Thing but gold and silver Coin a Tender in Payment of Debts."

Distinct from many other unconstitutional programs and policies forced upon the people of the United



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States by judges, lawmakers, and presidents, the compulsory use of Federal Reserve notes as legal tender “for all debts, public and private” is an open and hostile affront to the blackletter of the Constitution.

One could make a bit more of a connection between the violation of Article I, Section 10 and Article IV, Section 4, the provision of the Constitution that guarantees “to every state in this union a republican form of government.”

In other words, by making mandatory the acceptance of paper money (Federal Reserve notes), Congress is denying to the states a republican form of government, as it is prohibiting the representatives of the people from making laws that conform with the Constitution.

Not in Wyoming, though! The people’s representatives in Wyoming have placed the rights of residents of that state beyond the tyrannical overreach as pertaining to money, particularly specie.

A Tenth Amendment Center article published in the *Ron Paul Liberty Report* cited constitutional tender expert Dr. William Greene on the subject of the effect of legalizing the exchange of gold and silver as legal tender:

Over time, as residents of the state use both Federal Reserve notes and silver and gold coins, the fact that the coins hold their value more than Federal Reserve notes do will lead to a ‘reverse Gresham’s Law’ effect, where good money (gold and silver coins) will drive out bad money (Federal Reserve notes). As this happens, a cascade of events can begin to occur, including the flow of real wealth toward the state’s treasury, an influx of banking business from outside of the state — as people in other states carry out their desire to bank with sound money — and an eventual outcry against the use of Federal Reserve notes for any transactions.

In a paper published in 2010, Greene explained the history of legislative attempts to break up the Fed’s monopoly on money and the failure of those efforts:

Since its inception, the U.S. Federal Reserve’s monetary policies have led to a decline of over 95% in the purchasing power of the U.S. dollar. As a result, there have been several attempts to curtail or eliminate the Federal Reserve’s powers (e.g., the efforts of Rep. Louis T. McFadden in the 1930s; the efforts of Rep. Wright Patman in the 1970s; the efforts of Rep. Henry Gonzalez in the 1990s; and the efforts of Rep. Ron Paul since the 1990s). However, none have proven successful to date, due mainly to the constraints of strong political opposition at the national level.

If we are sincere in our desire that the Constitution be followed, then we must insist that our legislators demonstrate unwavering fidelity to their Article VI oath and that federalism be re-enshrined as a cornerstone of American liberty.

Wyoming is headed in the right direction with the enactment of its Legal Tender Act. Other states, Ron Paul believes, will soon follow.

“As the economy slides into another Fed-created downturn, I predict the movement to pass state legal tender laws will grow,” Paul said. “My Campaign for Liberty group is ready to help pass these laws in as many states as possible.”





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