

STATE OF KANSAS
SENATE CHAMBER

STATE CAPITOL
TOPEKA, KANSAS 66612
(785) 296-6981
michael.murphy@senate.ks.gov



35810 W.GREENFIELD RD.
SYLVIA, KANSAS 67581
(620) 204-0416

MICHAEL MURPHY
34TH DISTRICT

Oral PROPONENT testimony for SB39

Chair Tyson and members of the committee, thank you for the opportunity to testify as a proponent of SB39.

It seems odd to be bringing legislation that makes gold and silver legal tender. After all, these precious metals were used as money for thousands of years. In fact the oldest coin known is from 600 BC.

Historically in America since our republic was founded, the people had a disdain for paper money as they knew it held no intrinsic value. During the Revolution the “Continental” was printed to use as it was easier to carry than coins. However it wasn’t long before the phrase “Not worth a Continental” became true. Then during the Civil War the Greenback was introduced.

It wasn’t until paper currency was backed by gold and/or silver that the public accepted paper currency. Until 1964 our coins were made from metals with intrinsic value. In fact, in 1965 the minimum wage was \$2.00 and you might be paid with 8 silver quarters. Today if you took those quarters and melted them down the value of the silver would be \$47.20.

Bringing gold and silver to legal tender status in Kansas has a special meaning. I’m speaking of ***The Wizard of OZ***. Written in the late 19th century, there was much debate over monetary policy. For instance the yellow brick road (gold) was the way home. While in the movie Dorothy’s slippers are red, in the book they were silver. Dorothy represents the people, OZ of course is the abbreviation for ounce, the Emerald City was the Greenback with nothing behind the curtain.. The rest of the characters represent other groups and figures of the day, so you get the picture.

Today, the federal government looks at gold and silver as collectables and as such imposes a capital gains tax on any gains from buying and selling, Kansas does as well. Gold and

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Isilver are highly respected for their ability to hedge against inflation. SB39 as written would remove the state portion of that tax. I have a short amendment prepared that authorizes gold and silver to be used electronically as money to buy everyday goods and services. The technology now exists allowing the purchase of actual gold or silver to be held in a secure vault, there is a debit card tied to that account and the dollar amount required for the purchase is taken from your account to satisfy the bill.

Attorneys General from 3 states have written opinions that since this makes gold and silver spendable for everyday purchases it meets the definition of money and should not be taxed. It is no longer a collectable, it is money. It is also a hedge against inflation caused by the reckless spending and printing of dollars by the federal government.

Once amended, passed and signed into law Kansas can be the first in the nation to make this available to its citizens. And this is not just for the wealthy! The gold and silver is bought and sold by .0001 gram enabling it to be any dollar amount. A single mom could put \$25 a week away for a rainy day and those savings are just a debit card away if needed. A family could use it for a special vacation, or anyone can use it daily for their everyday purchases. Utah recently passed legislation to allow the state to pay state employees with gold if they desire.

I urge the passage of SB39, let's put Kansas on the Yellow Brick Road and bring that bit of financial security home to our citizens.

Thank you and I will stand for questions at the appropriate time.

Sen Michael Murphy