

## Kansas Senate Assessment and Taxation Committee Hearing | SB39 Testimony from Kevin Freeman and Mike Carter

### KEVIN FREEMAN

**Bio:** Kevin D. Freeman, CFA, is considered one of the world's leading experts on economic warfare and financial terrorism. He has consulted for and/or briefed the U.S. Congress, the Intelligence Community, the SEC, and the Departments of Defense, Homeland Security, and Justice on his extensive research about Global Economic Warfare. He is a co-founder and host of the Economic War Room on BlazeTV (EconomicWarRoom.com) and of the National Security Consultant Institute (NSIC.org). His first book on Economic Warfare, *Secret Weapon*, became a New York Times bestseller and his second, *Game Plan*, became an Amazon bestseller. His recently released book, *Pirate Money, Discovering the Founders' Hidden Plan for Economic Justice and Defeating the Great Reset*, has started a movement across America for Constitutional Currency. Kevin was a key contributor to the Utah Precious Metals Workgroup as well as the Florida Study on Transactional Gold. Kevin also hosts the weekly radio show Pirate Money on over 250 radio stations across America

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### The Five Undeniable Truths of Money Today

- Our debt path is unsustainable.
- Other nations are targeting our currency, (BRICS nations)
- Governments intend to weaponize currency (CBDC).
- Inflation creates a wealth gap that hurts the poor and will lead to destabilization.
- Money is changing in major ways. (ApplePay, Zelle, Venmo, PayPal, Tap to Pay)

### THE PROBLEM:

- ***All Americans, including Kansans, continue to feel the pressure of inflation.***
- They are seeing their dollars be worth less and less. Since being taken off the gold standard in 1971, *the dollar has lost 90 percent of its value and purchasing power!*
- As the Fed continues to print money, it is middle class Americans that feel the pressure most. *The United States is \$37 trillion dollars in debt!*
- The dollar is under attack from outside entities like China, who would love to remove the dollar as the reserve currency. The BRICS nations are on the march to make this happen.

### THE SOLUTION:

**Why is it important for Kansas to offer gold and silver as legal tender and functional money? This is “just another way to pay”, and offers the three T’s: Trust, Taxes, Taking**

### 3. Is this Constitutional? Other states are already moving forward.

- YES! It is Constitutional and doable!
- It is included in Article One Section 10 of the US Constitution that states can make gold and silver legal tender.

- This was clearly the Founder's intent; there is a strong historical precedent and SCOTUS cases support it:

### **Supreme Court Rulings Support Transactional Gold**

**Lane County vs Oregon:** The case says states can demand use of gold/silver in taxation. (States can take tax payment in gold and silver)

**Briscoe vs Bank of Kentucky:** This said states could issue warehouse receipts that trade as currency. (These receipts represent the physical gold and silver held in the depository)

**Bronson v Rodes:** It declared gold/silver bullion as equivalent to gold/silver coins under law. (Bullion by weight is transactional and equivalent to coins by law.)

It is good to raise this issue because the founders at the time of the writing of the Constitution did not want confusion around this then or now. The founders rightly did not want 13 different coins minted in the states; rather they wanted uniform weights and measures. However, in every case, the founders made allowance for gold and silver as legal tender payable in gold and silver coins **or the equivalent in gold and silver bullion**. This bill is not "coining" money, rather it is recognizing gold and silver as legal tender as authorized by the Constitution. And this bill makes gold and silver functional legal tender that can be used by citizens for ordinary purchases as an option.

### **Mike Carter**

**Bio:** - Mike Carter is a Co-Founder of the National Security Investment Consultant Institute (NSIC) and Partner, with EWR-Media Holdings, LLC. He is Executive Producer for Economic War Room with Kevin Freeman on Blaze TV. He is also co-host of Pirate Money Radio airing nationally on American Family Radio. Currently, he is facilitating legislation in 25 plus states allowing for constitutional state based transactional gold and silver as legal tender. He and his business associates steward Liberty Hawk Ranch where they operate a Solution to Action Tank (STAT) developing real world solutions that protect and enable Liberty, Security and Values.

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### **1. Why is this necessary?**

- Kansans continue to feel the pressure of inflation.
- The states are always the citizens' safe harbor and bulwark against federal overreach. It falls to the states to make sure their citizens have an alternative monetary system built on solid ground.
- There are new ways to pay, and now with transactional gold and silver everyone can have a hedge against inflation.
- Must be done at state level due to **The THREE Ts**

### **TRUST**

Based on surveys\*, most people want to own gold, but few know how best to buy, where to store, or how to spend. Having **Kansas** offer gold as legal tender and functional money solves all three problems. The American people want this, as shown by the **almost 1.6 million Texan Republican primary voters (77%) who want Texas to offer gold as money**. Kansans want it too!

## TAXES

Because gold and silver are not currently useful as functional money, the IRS views it as a collectible subject to the highest level of capital gains tax. That means that if gold maintains its purchasing power, the IRS will tax away the “gains.” If a state makes gold and silver both legal tender and functional currency, a strong case can be made that they should not be subject to capital gains taxation.

## TAKING

In 1933, President Roosevelt ordered a confiscation of all private gold holdings to prevent hoarding of gold during the depression. ***It is important to note that his order did not apply to state holdings, just those held by private citizens and businesses.*** If a state offers gold and silver as legal tender and functional currency, it will be much better protected against any future taking attempts.

**Having this overseen by a U.S. State like Kansas would solve these problems and stand as a bulwark against future federal overreach.**

To see how it works, please see this explainer video: [Transactional Gold Explainer Video](#)

- With transactional legislation, a constituent purchases the gold. It is linked to their debit card, making the gold transactional and functional money. Currently, they can spend gold anywhere that accepts MasterCard and it complies with all money transmitter laws.
- All payments are simply converting gold/silver to dollars at the time of transaction.
- No testing for purity, no collecting of coins, etc. is necessary.

## Other Details:

- Legislation is moving across the country, in most cases, the legislation allows constituents to store their gold in a safe vault overseen by the treasurer to ensure purity and security.
- For example, Texas has already built a bullion depository for constituents to store their gold. Other states are looking at using Brinks vaults or partnering with the Texas Bullion Depository or another vault provider to secure the gold.
- And no, neither banks nor retailers would be forced to assay gold or accept gold for payment. It would all be handled seamlessly.
- The gold owned by the individuals is a hard asset; it is not secured by the FDIC because the gold is not loaned out. Instead, it is insured at 100% by Lloyd's of London through a safe and secure vaulting system.

- This offers an optional gold standard without having to back every dollar with gold. It would strengthen the dollar by making it fully convertible as an option, but at the state level. And it keeps gold and silver in the financial system which is important.

## **2. How does this help the average Kansan?**

- Keeps gold and silver IN the financial system which strengthens the system (as opposed to the hoarding of gold that took place in early 1930s).
- Gold is a natural hedge against inflation; it retains and even grows its value over time. It is also a stable store of value without the significant market swings seen in the crypto/bitcoin segment.
- While the World Gold Council estimates that 10 percent of Americans own physical gold. When you include ETF's and investment funds the number goes up significantly higher.
- Until now you needed to be rich to own gold because it was not easily transactional. As gold becomes transactional Kansas is making equal weights and measures accessible to all Kansans, also to others outside your state!
- Today, electronic technology makes owning gold accessible for all, not just the investor class. You can buy as little as \$0.10 worth of gold on the system and start saving in hard assets that hold their value over time.
- Constituents want this!
- *Effectively, every Kansan can put themselves on their own gold standard!*

## **3. Why does Kansas need to move now?**

**This effort is aligned with the current WH administration's goals, and we believe it is important for states to act now.**

### **DC policy reflects the following:**

- A return to federalism: every power not specifically given to the federal government is reserved to the states. Decision making and power is being returned to the state-level whenever possible (and the Constitution allows).
- Examples: abortion laws, education, etc.
- This is not CBDC (decentralized, real, and no privacy intrusion).
- This allows for a personal, state-based option to CBDC if ever implemented.
- Gold as legal tender functions as money, and is, therefore, not taxable for capital gains! No reason to tax inflation. Transactional gold and silver solve this problem.
- If you are pro-cryptocurrency, this offers similar benefits and can be done by the states right now. Gold and silver are authorized in the Constitution as legal tender, Crypto is not there yet.
- New ways to pay are happening all the time, SB 39 helps set up Kansans for national prosperity, not with digital gold, but real gold transacted electronically.

- Transactional gold already runs on the current rails of our financial system and follows the Know Your Customer and Money transmitter rules.

#### **4. Technology exists to make this seamless with the banks and retailers.**

- Check out this example video using Glint (a commercial application out of the UK) to buy oranges in Florida. <https://vimeo.com/1037849606/1d47dd3c4c>
- (Note, at the time of transaction, it sells your gold at the current spot price, converts it to dollars, and pays the retailer.)

#### **5. Do other states have gold and silver as legal tender?**

- Yes! To date, 5 states have passed this legislation: It includes Arkansas, Oklahoma, Wyoming, Utah, and Louisiana. More states will be passing it this year.
- Currently over 2 dozen states have some version of the legal tender bill in play.
- Recognizing gold and silver as legal tender is a good first step but making it easily transactional so it is functional currency is the goal. These and other states are now moving forward with transactional gold and silver legislation.
- See <https://transactionalgold.com/>'s list of active states considering this or moving legislation forward.
- See your Kansas state page <https://transactionalgold.com/kansas>

## RECENT STATE UPDATES:

- *Utah Update: HB306 just passed the House and the Senate. This opens the door to a gold-backed e-payment system for the state to pay vendors in gold and advances efforts to challenge capital gains tax on gold as money.*
- Utah completed a major study concluding that it should be done!  
[https://treasurer.utah.gov/wp-content/uploads/11-18-2024-Precious-Metals-Study\\_Version-2.pdf](https://treasurer.utah.gov/wp-content/uploads/11-18-2024-Precious-Metals-Study_Version-2.pdf). They are moving forward with legislation to pay their vendors in gold during this session. Also, they are using a Brinks vault to store gold.
- Florida's CFO, Jimmy Protonis, has completed a transactional gold analysis for the state. Florida has bills in the house and the senate to make gold and silver legal tender and allow for gold to be transactional electronically. Legislation is in the house and senate now with committee hearings this week.  
<https://www.myfloridacfo.com/news/newsletter/past-issues/news-details/2024/12/11/cfo-patronis-advances-gold-and-silver-as-legal-tender-in-florida>
- Texas has built the Texas Bullion Depository and has transactional gold and silver bills in the house and senate now. HB 1049 / HB 1056 / SB 2002
- Ohio, West Virginia, Oklahoma, Arkansas, Arizona, Iowa, have bill and are moving forward bills in the house and senate for transactional gold. Also, TN, North Dakota, Wyoming, Louisiana and more! See [transactionalgold.com](http://transactionalgold.com)