

# MAINE STATE LEGISLATURE

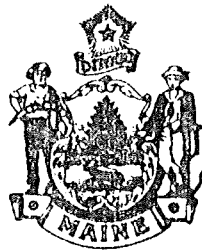
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JAMES E. TIERNEY  
ATTORNEY GENERAL



STATE OF MAINE  
DEPARTMENT OF THE ATTORNEY GENERAL  
AUGUSTA, MAINE 04333

August 11, 1981

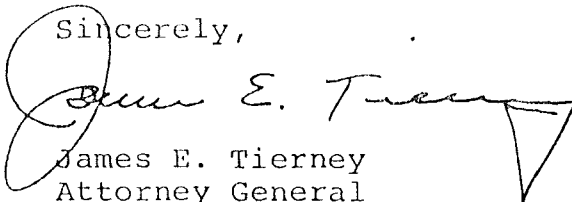
Hon. Fred W. Moholland  
Box 98  
Princeton, Maine 04668

Dear Representative Moholland,

Thank you for your correspondence of July 27, 1981, in which you request the opinion of this office as to what has been declared legal tender for debts settled within the State of Maine. You appear to be asking whether paper currency printed by the United States government represents legal tender for the satisfaction of debts in this State. The answer to this question is in the affirmative.

The Maine Supreme Judicial Court ruled directly on this matter in the case of Roger M. Rush v. Casco Bank & Trust Company, 348 A.2d 237 (Me. 1975). Mr. Rush argued that Article I, Section 10 of the United States Constitution limits legal tender to gold or silver coinage. The Law Court rejected this claim, noting that Article I, Section 10 of the United States Constitution by its terms represents a limitation on the States and not the federal government. Article I, Section 10 contains three paragraphs, each of which commences with the words "No State shall. . . ." Therefore, the United States Congress acted within its constitutional authority when it enacted a law which established federal paper currency as legal tender for the satisfaction of all debts. See 31 U.S.C. § 392. The courts have held uniformly that federal paper currency is legal tender. See, for example, Norman v. Baltimore & Ohio Railway Co., 294 U.S. 240 (1935); United States v. Rifon, 577 F.2d 1111 (8th Cir. 1978); United States v. Wangrud, 533 F.2d 495 (9th Cir. 1976), cert. denied, 429 U.S. 818 (1976). See also Rush v. Longley 349 A.2d 172 (Me. 1975), in which similar legal arguments made by Mr. Rush against former Governor Longley were dismissed for failure to present a justiciable claim.

I hope that this letter addresses your concerns.

Sincerely,  
  
James E. Tierney  
Attorney General