

By: Dorazio

H.B. No. 4903

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a digital currency backed by gold;
authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 4, Government Code, is amended
by adding Chapter 404A to read as follows:

CHAPTER 404A. DIGITAL GOLD CURRENCY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 404A.0001. DEFINITION. In this chapter "digital
currency" means the digital gold currency established under this
chapter.

Sec. 404A.0002. RULES; CONTRACTING. (a) The comptroller
may adopt rules as necessary or convenient to implement this
chapter, including rules to:

(1) ensure the security of the digital currency; and

(2) prevent fraud.

(b) The comptroller has all authority necessary to enter
into contracts to administer this chapter and fulfill the purposes
of this chapter.

SUBCHAPTER B. ESTABLISHMENT AND ADMINISTRATION OF DIGITAL GOLD

CURRENCY

Sec. 404A.0051. ESTABLISHMENT. (a) The comptroller shall
establish a digital currency that is backed by gold so that each
unit of the digital currency issued represents a particular

1 fraction of a troy ounce of gold held in trust as provided by this
2 chapter.

3 (b) The comptroller may contract with a private vendor to
4 establish the digital currency or perform other duties under this
5 chapter.

6 (c) In establishing the digital currency the comptroller
7 shall establish a means to ensure that a person who holds the
8 digital currency may readily transfer or assign the digital
9 currency to any other person by electronic means.

10 Sec. 404A.0052. GOLD HELD IN TRUST. (a) The comptroller
11 serving as trustee or another person appointed by the comptroller
12 who shall serve as trustee shall hold in trust on the behalf of the
13 digital currency holders all gold purchased to back the digital
14 currency. The trustee shall maintain enough gold to provide for the
15 redemption in gold of all units of the digital currency that have
16 been issued and are not yet redeemed for money or gold.

17 (b) The trustee may establish an account in the Texas
18 Bullion Depository to hold gold purchased to back the digital
19 currency and may hold the gold otherwise as convenient for the
20 administration of this chapter.

21 Sec. 404A.0053. PURCHASE AND ISSUANCE. (a) A person may
22 purchase from this state through the comptroller any number of
23 units of the digital currency.

24 (b) On receiving payment for a purchase of the digital
25 currency together with any fee charged under Section 404A.0058, the
26 comptroller shall:

27 (1) using the money received from the purchaser, buy a

1 fractional number of troy ounces of gold equal to the number of
2 units of the digital currency issued to the purchaser under
3 Subdivision (2); and

4 (2) issue to the purchaser a number of units of the
5 digital currency equal to the amount of gold that the comptroller
6 purchases with the money received from the purchaser.

7 Sec. 404A.0054. REDEMPTION OF CURRENCY FOR MONEY. (a) A
8 person who holds the digital currency may present to the
9 comptroller, or a person with whom the comptroller has contracted,
10 or a person serving as trustee for purposes of this chapter any
11 number of units of the digital currency to redeem for money.

12 (b) On receipt of a person's request for redemption, the
13 comptroller, contractor, or trustee shall:

14 (1) sell from the gold held in the pooled depository
15 account a fractional number of troy ounces equal to the number of
16 units of the digital currency being redeemed; and

17 (2) provide to the person an amount of money equal to
18 the amount received from the sale of gold under Subdivision (1),
19 less a fee charged under Section 404A.0058.

20 Sec. 404A.0055. REDEMPTION OF CURRENCY FOR GOLD. (a) A
21 person who holds the digital currency may present to the
22 comptroller, or a person with whom the comptroller has contracted,
23 or a person serving as trustee for purposes of this chapter any
24 number of units of the digital currency to redeem for an equal
25 fractional number of troy ounces of gold from the pooled depository
26 account.

27 (b) On receipt of a request for redemption, the comptroller

1 shall:

2 (1) withdraw the requested number of troy ounces of
3 gold from the gold held in trust; and

4 (2) on the payment of a fee charged under Section
5 404A.0058, deliver the gold to the requestor.

6 (c) The comptroller, or a person with whom the comptroller
7 has contracted, or a person serving as trustee for purposes of this
8 chapter, may manage redemption of the digital currency for gold by
9 the use of bars or coins of standard sizes and may pay fractional
10 remainders in cash as is necessary to facilitate the transaction.

11 Sec. 404A.0056. VALUE OF DIGITAL CURRENCY. (a) At the time
12 of each transaction involving the issuance or redemption of the
13 digital currency, the comptroller, or a person with whom the
14 comptroller has contracted, or a person serving as trustee for
15 purposes of this chapter shall determine the value of a unit of the
16 digital currency.

17 (b) The value of a unit of the digital currency at the time
18 of a transaction must be equal to the value of the appropriate
19 fraction of a troy ounce of gold at the time of that transaction.

20 Sec. 404A.0057. CERTAIN MONEY AND DEPOSITS HELD IN TRUST
21 AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION. Money received from
22 the purchase of the digital currency under Section 404A.0053(a),
23 gold purchased and held under this chapter, and money received from
24 the sale of gold in response to a request for redemption under
25 Section 404A.0054 is:

26 (1) held in trust by the comptroller as trustee or a
27 person appointed by the comptroller to serve as trustee for

1 purposes of this chapter outside the state treasury on the behalf of
2 persons who hold the digital currency; and

3 (2) not available for legislative appropriation.

4 Sec. 404A.0058. FEE. The comptroller may establish a fee
5 for the issuance or redemption of the digital currency at any rate
6 necessary to cover the costs of administering this chapter. The
7 comptroller shall deposit the fee proceeds to the credit of an
8 account established in the general revenue fund that may be used to
9 pay the costs.

10 SECTION 2. This Act takes effect September 1, 2023.