

By: Dorazio

H.B. No. 1049

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance of gold and silver specie and the  
3 establishment of a currency based on gold and silver; authorizing a  
4 fee.

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

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

8 CHAPTER 404A. GOLD AND SILVER CURRENCY

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 404A.0001. DEFINITIONS. In this chapter:

11 (1) "Bullion" and "specie" have the meanings assigned  
12 by Section 2116.001.

13 (2) "Gold and silver currency" means the  
14 representation of gold and silver specie and bullion held in the  
15 pooled depository account as established under this chapter.

16 (3) "Pooled depository account" means the account  
17 established in the Texas Bullion Depository under Section  
18 404A.0052.

19 Sec. 404A.0002. RULES. The comptroller may adopt rules as  
20 necessary or convenient to implement this chapter, including rules  
21 to:

22 (1) ensure the security of gold or silver specie or  
23 bullion, gold and silver currency, transactions, and related data;

24 (2) prevent fraud; and

1           (3) prohibit transactions involving foreign countries  
2 or entities known to engage in illegal or terroristic activities.

3 SUBCHAPTER B. ESTABLISHMENT AND ADMINISTRATION OF GOLD AND SILVER

4                           SPECIE AND CURRENCY

5           Sec. 404A.0051. ESTABLISHMENT. (a) As authorized by  
6 Section 10, Article I, United States Constitution, to the extent  
7 the comptroller determines practicable, the comptroller shall:

8                   (1) establish and provide for the issuance of gold and  
9 silver specie; and

10                   (2) establish and issue a currency based on gold and  
11 silver that represents a particular fraction of a troy ounce of gold  
12 or silver, as applicable, held in trust as provided by this chapter.

13           (b) The comptroller may contract with a private vendor to  
14 establish the gold and silver currency under Subsection (a)(2) or  
15 perform other duties under this chapter. To the extent consistent  
16 with state and federal law, in contracting with a private vendor  
17 under this subsection the comptroller shall give preference to a  
18 vendor whose principal place of business is in this state. The  
19 contract may provide for the vendor to pay the initial costs  
20 associated with establishing the currency and be reimbursed from  
21 fees collected under this chapter.

22           (c) In establishing gold and silver specie under Subsection  
23 (a)(1), the comptroller shall:

24                   (1) authorize the Texas Bullion Depository as this  
25 state's exclusive issuer; and

26                   (2) ensure that the holder of the specie may:  
27                           (A) use the specie as legal tender in payment of

1 debt; and

2 (B) readily transfer the specie to another  
3 person.

4 (d) In establishing the gold and silver currency under  
5 Subsection (a)(2), the comptroller shall provide a means to ensure  
6 that a person who holds the currency may:

7 (1) use the currency as legal tender in payment of  
8 debt; and

9 (2) by electronic means readily transfer or assign the  
10 currency to another person.

11 Sec. 404A.0052. BULLION DEPOSITORY ACCOUNT. (a) The  
12 comptroller, serving as trustee, or another person the comptroller  
13 appoints to serve as trustee, shall hold in trust on behalf of gold  
14 and silver currency holders all gold and silver specie and bullion  
15 owned or purchased for the purposes of issuing the currency. The  
16 trustee shall maintain enough gold and silver specie or bullion to  
17 provide for the redemption of all units of the currency issued but  
18 not redeemed.

19 (b) The trustee shall establish a pooled depository account  
20 in the Texas Bullion Depository to hold in trust as trustee on  
21 behalf of gold and silver currency holders all gold and silver  
22 specie and bullion owned and allocated or purchased for purposes of  
23 issuing the currency.

24 Sec. 404A.0053. ISSUANCE OF GOLD AND SILVER CURRENCY. (a)  
25 The comptroller may issue to a person the appropriate number of  
26 units and fractional units of gold and silver currency when the  
27 person, together with any fee charged under Section 404A.0058:

1           (1) makes the appropriate payment to the comptroller  
2 for the comptroller to purchase gold or silver specie or bullion for  
3 the pooled depository account to be represented by the currency; or

4           (2) designates gold or silver specie or bullion held  
5 in a depository account with the Texas Bullion Depository to be  
6 transferred to the pooled depository account for the purpose of  
7 being represented by the currency.

8           (b) On receiving payment under Subsection (a)(1), the  
9 comptroller shall:

10           (1) using the money received, purchase gold or silver  
11 specie or bullion in the number of fractional troy ounces equal to  
12 the number of units or fractional units of gold and silver currency  
13 to be issued to the person under Subsection (a);

14           (2) deposit for the person the gold or silver specie or  
15 bullion purchased under Subdivision (1) into the pooled depository  
16 account; and

17           (3) issue to the person a gold and silver currency  
18 account with the Texas Bullion Depository, or, if applicable, add  
19 to an existing gold and silver currency account held by the person  
20 with the depository, the number of units or fractional units of gold  
21 and silver currency equal to the amount of specie or bullion that  
22 the money received from the person would buy on the date the payment  
23 is received.

24           (c) On receiving a person's designation under Subsection  
25 (a)(2), the comptroller shall:

26           (1) withdraw from the person's depository account with  
27 the Texas Bullion Depository the amount of gold or silver specie or

1 bullion designated and deposit the specie or bullion for the person  
2 to the pooled depository account; and

3 (2) issue to the person a gold and silver currency  
4 account with the Texas Bullion Depository, or, if applicable, add  
5 to an existing gold and silver currency account held by the person  
6 with the depository, the number of units or fractional units of gold  
7 and silver currency equal to the amount of gold or silver specie or  
8 bullion that the pooled depository account received from the person  
9 on that date.

10 Sec. 404A.0054. REDEMPTION OF GOLD AND SILVER CURRENCY FOR  
11 UNITED STATES DOLLARS. (a) A person who holds gold and silver  
12 currency may present to the comptroller any number of units or  
13 fractional units of the currency to redeem for United States  
14 dollars.

15 (b) On receipt of a person's request for redemption, the  
16 comptroller shall:

17 (1) sell from the gold or silver specie or bullion held  
18 in the pooled depository account a number of fractional troy ounces  
19 equal to the number of units or fractional units of gold and silver  
20 currency being redeemed; and

21 (2) provide to the person an amount of United States  
22 dollars equal to the amount received from the sale of the gold and  
23 silver specie or bullion under Subdivision (1), less the amount of  
24 any fee charged under Section 404A.0058.

25 Sec. 404A.0055. REDEMPTION OF GOLD AND SILVER CURRENCY FOR  
26 SPECIE OR BULLION. (a) A person who holds gold and silver currency  
27 may present to the comptroller any number of units or fractional

1 units of the currency to redeem for an equal fractional number of  
2 troy ounces of gold or silver specie or bullion from the pooled  
3 depository account.

4 (b) On receipt of a request for redemption, the comptroller  
5 shall:

6 (1) withdraw the equivalent fractional number of troy  
7 ounces of gold or silver specie or bullion from the pooled  
8 depository account; and

9 (2) on the payment of a fee charged under Section  
10 404A.0058, deliver the gold or silver specie or bullion to the  
11 requestor as requested.

12 Sec. 404A.0056. VALUE OF GOLD AND SILVER CURRENCY. (a) At  
13 the time of each transaction involving the issuance or redemption  
14 of gold and silver currency, the comptroller shall determine the  
15 value of a unit of the currency.

16 (b) The value of a unit of gold and silver currency at the  
17 time of a transaction must be equal to the value of the appropriate  
18 fraction of a troy ounce of gold or silver, respectively, at the  
19 time of that transaction as published by the Texas Bullion  
20 Depository.

21 Sec. 404A.0057. CERTAIN MONEY AND DEPOSITS HELD IN TRUST  
22 AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION. Money received under  
23 Section 404A.0053(a), gold or silver specie or bullion purchased or  
24 deposited in the pooled depository account as provided by Section  
25 404A.0053(b) or (c), and money received from the sale of gold or  
26 silver specie or bullion in the pooled depository account in  
27 response to a request for redemption under Section 404A.0054 is:

1           (1) held by the comptroller as trustee outside the  
2 state treasury on the behalf of persons who hold gold and silver  
3 currency; and

4           (2) not available for legislative appropriation.

5           Sec. 404A.0058. FEE. The comptroller may establish a fee  
6 for the issuance or redemption of gold and silver currency to cover  
7 the comptroller's costs in administering this chapter and an  
8 industry standard merchant fee for use. The comptroller shall  
9 deposit the net fee proceeds after costs to the credit of the  
10 general revenue fund.

11           SECTION 2. This Act takes effect September 1, 2025.