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H.B. No. 1056

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. Chapter 2116, Government Code, is amended by  
7 adding Subchapter D to read as follows:

8 SUBCHAPTER D. GOLD AND SILVER CURRENCY

9 Sec. 2116.101. DEFINITIONS. In this subchapter:

10 (1) "Gold and silver currency" means the  
11 representation of gold and silver specie and bullion held in the  
12 pooled depository account as established under this subchapter.

13 (2) "Pooled depository account" means the account  
14 established in the depository under Section 2116.104.

15 Sec. 2116.102. RULES. The comptroller may adopt rules as  
16 necessary or convenient to implement this subchapter, including  
17 rules to:

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

20 (2) prevent fraud; and

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

23 Sec. 2116.103. ESTABLISHMENT. (a) As authorized by  
24 Section 10, Article I, United States Constitution, to the extent

1 the comptroller determines practicable and subject to Subsection  
2 (a-1), the comptroller shall:

3 (1) establish and provide for the issuance of gold and  
4 silver specie; and

5 (2) establish and issue a currency based on gold and  
6 silver that represents a particular fraction of a troy ounce of gold  
7 or silver, as applicable, held in trust as provided by this  
8 subchapter.

9 (a-1) Authority to implement this subchapter is contingent  
10 on a ruling by a federal court of competent jurisdiction subsequent  
11 to the enactment of this subchapter, by final and unappealable  
12 order, that it is within state authority to issue specie and issue  
13 currency as described in this subchapter. No court of the state of  
14 Texas shall be deemed to be a court of competent jurisdiction for  
15 purposes of this subsection. For the purpose of this subsection,  
16 the Supreme Court of the United States, the United States Court of  
17 Appeals for the Fifth Circuit, and United States district courts  
18 with jurisdiction in the state of Texas are federal courts of  
19 competent jurisdiction.

20 (b) The comptroller may contract with a private vendor to  
21 establish the gold and silver currency under Subsection (a)(2) or  
22 perform other duties under this subchapter. To the extent  
23 consistent with state and federal law, in contracting with a  
24 private vendor under this subsection the comptroller shall give  
25 preference to a vendor whose principal place of business is in this  
26 state. The contract may provide for the vendor to pay the initial  
27 costs associated with establishing the currency and be reimbursed

1 from fees collected under this subchapter.

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

4 (1) authorize the depository as this state's exclusive  
5 issuer; and

6 (2) ensure that the holder of the specie may:

7 (A) use the specie as legal tender in payment of  
8 debt; and

9 (B) readily transfer the specie to another  
10 person.

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

14 (1) use the currency as legal tender in payment of  
15 debt; and

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

18 Sec. 2116.104. POOLED DEPOSITORY ACCOUNT. (a) The  
19 comptroller, serving as trustee, or another person the comptroller  
20 appoints to serve as trustee, shall hold in trust on behalf of gold  
21 and silver currency holders all gold and silver specie and bullion  
22 owned or purchased for the purposes of issuing the currency. The  
23 trustee shall maintain enough gold and silver specie or bullion to  
24 provide for the redemption of all units of the currency issued but  
25 not redeemed.

26 (b) The trustee shall establish a pooled depository account  
27 in the depository to hold in trust as trustee on behalf of gold and

1 silver currency holders all gold and silver specie and bullion  
2 owned and allocated or purchased for purposes of issuing the  
3 currency.

4 Sec. 2116.105. ISSUANCE OF GOLD AND SILVER CURRENCY. (a)  
5 The comptroller may issue to a person the appropriate number of  
6 units and fractional units of gold and silver currency when the  
7 person, together with any fee charged under Section 2116.110:

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

11 (2) designates gold or silver specie or bullion held  
12 in a depository account to be transferred to the pooled depository  
13 account for the purpose of being represented by the currency.

14 (b) On receiving payment under Subsection (a)(1), the  
15 comptroller shall:

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

20 (2) deposit for the person the gold or silver specie or  
21 bullion purchased under Subdivision (1) into the pooled depository  
22 account; and

23 (3) issue to the person a gold and silver currency  
24 account with the depository, or, if applicable, add to an existing  
25 gold and silver currency account held by the person with the  
26 depository, the number of units or fractional units of gold and  
27 silver currency equal to the amount of specie or bullion that the

1 money received from the person would buy on the date the payment is  
2 received.

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

5 (1) withdraw from the person's depository account the  
6 amount of gold or silver specie or bullion designated and deposit  
7 the specie or bullion for the person to the pooled depository  
8 account; and

9 (2) issue to the person a gold and silver currency  
10 account with the depository, or, if applicable, add to an existing  
11 gold and silver currency account held by the person with the  
12 depository, the number of units or fractional units of gold and  
13 silver currency equal to the amount of gold or silver specie or  
14 bullion that the pooled depository account received from the person  
15 on that date.

16 Sec. 2116.106. REDEMPTION OF GOLD AND SILVER CURRENCY FOR  
17 UNITED STATES DOLLARS. (a) A person who holds gold and silver  
18 currency may present to the comptroller any number of units or  
19 fractional units of the currency to redeem for United States  
20 dollars.

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

23 (1) sell from the gold or silver specie or bullion held  
24 in the pooled depository account a number of fractional troy ounces  
25 equal to the number of units or fractional units of gold and silver  
26 currency being redeemed; and

27 (2) provide to the person an amount of United States

1 dollars equal to the amount received from the sale of the gold and  
2 silver specie or bullion under Subdivision (1), less the amount of  
3 any fee charged under Section 2116.110.

4 Sec. 2116.107. REDEMPTION OF GOLD AND SILVER CURRENCY FOR  
5 SPECIE OR BULLION. (a) A person who holds gold and silver currency  
6 may present to the comptroller any number of units or fractional  
7 units of the currency to redeem for an equal fractional number of  
8 troy ounces of gold or silver specie or bullion from the pooled  
9 depository account.

10 (b) On receipt of a request for redemption, the comptroller  
11 shall:

12 (1) withdraw the equivalent fractional number of troy  
13 ounces of gold or silver specie or bullion from the pooled  
14 depository account; and

15 (2) on the payment of a fee charged under Section  
16 2116.110, deliver the gold or silver specie or bullion to the  
17 requestor as requested.

18 Sec. 2116.108. VALUE OF GOLD AND SILVER CURRENCY. (a) At  
19 the time of each transaction involving the issuance or redemption  
20 of gold and silver currency, the comptroller shall determine the  
21 value of a unit of the currency.

22 (b) The value of a unit of gold and silver currency at the  
23 time of a transaction must be equal to the value of the appropriate  
24 fraction of a troy ounce of gold or silver, respectively, at the  
25 time of that transaction as published by the depository.

26 Sec. 2116.109. CERTAIN MONEY AND DEPOSITS HELD IN TRUST AND  
27 NOT SUBJECT TO LEGISLATIVE APPROPRIATION. Money received under

1 Section 2116.105(a), gold or silver specie or bullion purchased or  
2 deposited in the pooled depository account as provided by Section  
3 2116.105(b) or (c), and money received from the sale of gold or  
4 silver specie or bullion in the pooled depository account in  
5 response to a request for redemption under Section 2116.106 is:

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

9 (2) not available for legislative appropriation.

10 Sec. 2116.110. FEE. The comptroller may establish a fee for  
11 the issuance or redemption of gold and silver currency to cover the  
12 comptroller's costs in administering this subchapter and an  
13 industry standard merchant fee for use. The fee established by the  
14 comptroller to cover the costs may not exceed the industry standard  
15 merchant fee. The comptroller shall determine the amount of the  
16 industry standard merchant fee based on a review of customary  
17 industry practices. The comptroller shall deposit the net fee  
18 proceeds after costs to the credit of the general revenue fund.

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