

By: Parker

S.B. No. 2922

A BILL TO BE ENTITLED

AN ACT

relating to the issuance and regulation of an oil-backed stablecoin; authorizing a fee; authorizing an administrative penalty.

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

SECTION 1. This Act may be cited as the Texas Oil-Backed Stablecoin Act.

SECTION 2. (a) The legislature finds that:

(1) Texas is a global leader in oil production, refining, and innovation in energy markets;

(2) stablecoins and other blockchain-based digital assets present opportunities for more efficient, transparent, and cost-effective financial transactions, enhancing competitiveness in global markets;

(3) a stablecoin fully backed by oil or oil-derived products can expand investment opportunities, increase tax revenue, attract technology development, and support the state's energy industry; and

(4) it is in the public interest to establish a stable regulatory framework for a commodity-backed stablecoin issued in this state.

(b) The purpose of this Act is to:

(1) authorize and regulate the issuance of a commodity-backed stablecoin anchored by oil or oil products;

(2) ensure that each stablecoin issued under this Act is fully backed by, and redeemable for, a defined quantity of oil or oil products;

(3) provide oversight, licensing, consumer protection, and transparency measures to safeguard the public interest; and

(4) facilitate responsible innovation and economic growth within this state.

SECTION 3. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 282 to read as follows:

CHAPTER 282. OIL-BACKED STABLECOIN

Sec. 282.001. DEFINITIONS. In this chapter:

(1) "Custodial reserve" means the pool of oil or oil products held in trust or under sub-custodial contracts for the sole purpose of fully backing all units of the oil-backed stablecoin in circulation.

(2) "Department" means the Texas Department of Banking.

(3) "Finance commission" means the Finance Commission of Texas.

(4) "Issuer" means any person authorized by the department to create, manage, or redeem an oil-backed stablecoin under this chapter.

(5) "Oil-backed stablecoin" means a stablecoin authorized under this chapter that is redeemable for a specific quantity of oil or refined oil products measured in British thermal units or another appropriate standard specified by the department.

1           (6) "Oil company sub-custodian" or "sub-custodian"  
2 means a state-approved or licensed oil producer, refiner, or  
3 storage entity that allocates crude or refined product to the  
4 custodial reserve under this chapter.

5           (7) "Stablecoin" means a digital asset:

6                   (A) whose value is pegged to a specific commodity  
7 or currency; and

8                   (B) that is redeemable on demand for that  
9 commodity or currency.

10          Sec. 282.002. LICENSE REQUIRED; FEES. (a) The department  
11 shall issue licenses to eligible applicants to authorize the  
12 applicant to be an issuer of oil-backed stablecoin.

13          (b) A person may not issue or offer for sale oil-backed  
14 stablecoin described by this chapter unless the person holds a  
15 license issued by the department under this section.

16          (c) The finance commission by rule shall establish  
17 application requirements, licensing fees, background check  
18 requirements, and other conditions for license eligibility under  
19 this section.

20          (d) An issuer issued a license under this chapter must  
21 comply with all applicable rules adopted by the finance commission  
22 regarding consumer disclosures, anti-money laundering standards,  
23 and know-your-customer requirements.

24          (e) The department may charge a reasonable fee for the  
25 issuance of a license under this chapter in an amount sufficient to  
26 allow the department to recover all reasonable costs associated  
27 with administering and enforcing this chapter.

1       Sec. 282.003. CUSTODIAL RESERVE REQUIRED. (a) Each unit of  
2 oil-backed stablecoin in circulation must be backed at all times by  
3 a corresponding quantity of oil or oil products, measured in  
4 million British thermal units or another standard specified by the  
5 department.

6       (b) The issuer shall maintain a custodial reserve at or  
7 above a one-to-one ratio between the total amount of the oil-backed  
8 stablecoin outstanding and the total amount of oil or oil products  
9 allocated for that purpose, subject to any discount or  
10 overcollateralization requirements established by finance  
11 commission rule.

12       (c) A custodial reserve may include crude oil, refined  
13 product, or in-ground reserves documented in accordance with rules  
14 adopted by the finance commission, provided the oil or oil product:

15               (1) is readily auditable;  
16               (2) is located or verifiably allocated within this  
17 state; and

18               (3) is able to be delivered or monetized in a timely  
19 manner in compliance with redemption obligations under this  
20 chapter.

21       Sec. 282.004. OIL COMPANY SUB-CUSTODIANS. (a) An oil  
22 company sub-custodian may enter into a contractual agreement with  
23 an issuer to allocate oil or oil products to the issuer's custodial  
24 reserve.

25       (b) A sub-custodian must meet eligibility requirements  
26 established by finance commission rule, including requirements  
27 relating to financial stability, operational capacity, and

1 location of the allocated oil or oil product.

2 (c) A sub-custodian shall allow the issuer or the department  
3 to examine any records necessary to verify the quantity, quality,  
4 and location of the allocated oil or oil product.

5 Sec. 282.005. CREATION AND REDEMPTION OF OIL-BACKED  
6 STABLECOIN. (a) The issuer may create additional units of the  
7 oil-backed stablecoin only if the custodial reserve is  
8 proportionately increased in accordance with Section 282.003.

9 (b) The issuer shall redeem the oil-backed stablecoin on the  
10 request of an oil-backed stablecoin holder who surrenders the  
11 digital asset in exchange for:

12 (1) an equivalent quantity of cash proceeds derived  
13 from the issuer's custodial reserve; or

14 (2) a direct oil product withdrawal, if permitted by  
15 rule.

16 (c) On redemption of oil-backed stablecoin, or under other  
17 circumstances requiring a reduction in total oil-backed stablecoin  
18 units in circulation, the issuer shall remove the corresponding  
19 units from circulation on the blockchain ledger.

20 Sec. 282.006. RULES. (a) The finance commission shall  
21 adopt rules to implement and enforce this chapter, including:

22 (1) standards for custodial reserve liquidity and  
23 tiered collateral arrangements;

24 (2) required disclosures to purchasers or holders of  
25 the oil-backed stablecoin, including redemption procedures and  
26 associated risks;

27 (3) recordkeeping, reporting, and auditing standards

1 for issuers and sub-custodians; and

2 (4) any additional consumer protection measures the  
3 finance commission considers necessary.

4 (b) The finance commission may adopt rules to coordinate  
5 with federal authorities or comply with federal regulations  
6 regarding commodity-backed digital assets.

7 Sec. 282.007. AUDITS AND PERIODIC REPORTS. (a) The issuer  
8 shall publish or file with the department quarterly, or at another  
9 interval prescribed by finance commission rule:

10 (1) a comprehensive reserve attestation performed by  
11 an independent certified public accountant;

12 (2) a comparison of the total number of stablecoin  
13 units outstanding to the total volume of oil or oil products  
14 allocated to the custodial reserve; and

15 (3) a report of any material changes to sub-custodian  
16 agreements.

17 (b) The department may require the issuer or a sub-custodian  
18 to submit to periodic or special audits, including on-site  
19 inspections, to ensure compliance with this chapter.

20 Sec. 282.008. VIOLATIONS; ENFORCEMENT. The department may  
21 impose an administrative penalty, seek injunctive relief, or take  
22 other enforcement action against a person who violates this chapter  
23 or a rule adopted under this chapter.

24 Sec. 282.009. CONSUMER PROTECTIONS. (a) An issuer may not  
25 engage in unfair or deceptive acts or practices regarding the  
26 issuance or marketing of an oil-backed stablecoin.

27 (b) A person who suffers damages because of a violation of

1 this chapter or a rule adopted under this chapter may seek any  
2 remedy available under state law.

3 Sec. 282.010. TRANSACTIONAL FEES AND ASSESSMENTS. The  
4 department may charge a regulatory fee or assessment for each  
5 transaction of the oil-backed stablecoin, provided that the amount  
6 of the fee or assessment does not unreasonably restrict adoption or  
7 usage of oil-backed stablecoin.

8 Sec. 282.011. TAX TREATMENT. (a) Any tax on the issuance,  
9 holding, transfer, or redemption of oil-backed stablecoin is  
10 governed by provisions of the Tax Code generally applicable to  
11 commodity transactions, unless otherwise provided by law.

12 (b) The department and the comptroller shall consult as  
13 necessary to ensure that state tax treatment of oil-backed  
14 stablecoin is administered in a manner that does not subject  
15 holders to duplicative or inconsistent taxation.

16 SECTION 4. This Act takes effect September 1, 2025.