

By: Dorazio

H.B. No. 157

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a currency based on gold and silver; 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. GOLD AND SILVER CURRENCY

SUBCHAPTER A. GENERAL PROVISIONS

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

(1) "Bullion" means precious metals as defined within the Government Code Chapter 2116 limited to gold and silver only.

(2) "Currency" means the representation of actual gold and silver, specie and bullion held in a Depository account by a Depository account holder as defined within the Government Code Chapter 2116. Such representation shall reflect the exact unit(s) of physical specie or gold and silver bullion in the pooled depository account in its fractional troy ounce measurement as provided by this chapter.

(3) "Precious metal" means precious metal as defined within the Government Code Chapter 2116 limited to gold and silver.

(4) "Pooled depository account" means the account in the Texas Bullion Depository established under Section 404A.0052.

(5) "Specie" means a precious metal stamped into coins as defined within the Government Code Chapter 2116.

1 Sec. 404A.0002. RULES. The comptroller may adopt rules as
2 necessary or convenient to implement this chapter, including rules
3 to:

4 (1) ensure the security of the specie, bullion,
5 currency, transactions and related data; and

6 (2) prevent fraud; and

7 (3) prohibit transactions involving foreign nations
8 or enemies of this State.

9 SUBCHAPTER B. ESTABLISHMENT AND ADMINISTRATION OF CURRENCY

10 Sec. 404A.0051. ESTABLISHMENT. (a) As authorized by the
11 U.S. Const. Art. I, § 10, the comptroller shall issue specie and
12 establish a currency as determined practicable.

13 (b) The comptroller may preferentially contract with a
14 private vendor having its principal place of business and its
15 center of operations in Texas to establish the currency or perform
16 other duties under this chapter. Such contract may additionally
17 provide for the initial start up expense of this Chapter.

18 (c) In establishing the currency the comptroller shall
19 establish a means to ensure that a person or State who holds the
20 currency may use such as legal tender in payment of debt, readily
21 transfer or assign such currency to any other person or State by
22 electronic means.

23 (d) In establishing specie, the comptroller shall
24 exclusively authorize the Texas Bullion Depository as the State's
25 issuer and ensure that the holder of such specie may use such as
26 legal tender in payment of debt, readily transferable to any other
27 person or State.

1 Sec. 404A.0052. BULLION DEPOSITORY ACCOUNT. (a) The
2 comptroller serving as trustee or another person appointed by the
3 comptroller who shall serve as trustee shall hold in trust on behalf
4 of the currency holders all specie and bullion owned or purchased
5 for such purposes. The trustee shall maintain enough specie or
6 bullion to provide for the redemption of all units of the currency
7 issued but not redeemed.

8 (b) The trustee shall establish an account in the Texas
9 Bullion Depository to hold in trust as trustee on the behalf of the
10 currency holders all specie and bullion owned and allocated or
11 purchased for such purposes.

12 Sec. 404A.0053. PURCHASE AND ISSUANCE. (a) A person or any
13 State of the United States, may be issued their currency by the
14 comptroller upon:

15 (1) Making payment to the comptroller for the purpose
16 of a purchase of specie or bullion to be represented by currency
17 together with any fee charged under Section 404A.0058; or

18 (2) Designating specie or bullion held on account in
19 the Texas Bullion Depository for the purpose of being represented
20 by currency together with payment of any fee charged under Section
21 404A.0058.

22 (b) Upon receiving payment under Sec. 404A.0053 (a)(1) or an
23 account holder's designation and payment under Sec. 404A.0053 (a)
24 (2), the comptroller shall:

25 (1) using the money received, buy specie or bullion in
26 the number of troy ounces of precious metal equal to the number of
27 units of the currency to be issued to the purchaser under

1 Subdivision (a); and

2 (2) deposit such specie or bullion into the pooled
3 depository account for purchaser under Subdivision(a); and

4 (3) issue to the purchaser an account with or add to an
5 existing currency account a number of units of the currency equal to
6 the amount of specie or bullion that the purchase money received
7 from the account holder would buy at the market price on that date
8 as published by the Texas Bullion Depository.

9 Sec. 404A.0054. REDEMPTION OF CURRENCY FOR US DOLLARS. (a)

10 A person who holds currency may present to the comptroller any
11 number of units of the currency to redeem for US dollars.

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

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

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

20 Sec. 404A.0055. REDEMPTION OF CURRENCY FOR SPECIE OR

21 BULLION. (a) Subject to Sec. 404A.0051 an account holder who holds
22 the currency may present to the comptroller any number of units of
23 the currency to redeem for an equal number of troy ounces of specie
24 or bullion from the pooled depository account.

25 (b) On receipt of a request for redemption, the comptroller
26 shall:

27 (1) withdraw the equivalent number of troy ounces of

1 specie or bullion from the pooled depository account; and

2 (2) on the payment of a fee charged under Section
3 404A.0058, deliver the specie or bullion as requested to the
4 requestor.

5 Sec. 404A.0056. VALUE OF CURRENCY. (a) At the time of each
6 transaction involving the issuance or redemption of the currency,
7 the comptroller shall determine the value of a unit of the currency
8 as published by the Texas Bullion Depository.

9 (b) The value of a unit of the currency at the time of a
10 transaction must be equal to the value of the appropriate fraction
11 of a troy ounce of gold or silver, respectively at the time of that
12 transaction as published by the Texas Bullion Depository.

13 Sec. 404A.0057. CERTAIN MONEY AND DEPOSITS HELD IN TRUST
14 AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION. Money received under
15 Section 404A.0053(a), specie or bullion purchased and deposited in
16 the pooled depository account as provided by Section
17 404A.0053(b)(1), and money received from the sale of specie or
18 bullion in the pooled depository account in response to a request
19 for redemption under Section 404A.0054 is:

20 (1) held by the comptroller as trustee outside the
21 state treasury on the behalf of persons who hold the currency; and

22 (2) not available for legislative appropriation.

23 Sec. 404A.0058. FEE. The comptroller may establish a fee
24 for the issuance or redemption of the currency to cover the
25 comptroller's costs in administering this chapter and an industry
26 standard merchant fee for use. The comptroller shall deposit the
27 net fee proceeds after costs to the credit of an account established

1 in the general revenue fund.

2 SECTION 2. This Act takes effect on the 91st day after the
3 last day of the legislative session.