88R25770 KJE-D

By:  Dorazio, Capriglione, Raymond, H.B. No. 4903

     Harris of Anderson, Stucky, et al.

Substitute the following for H.B. No. 4903:

By:  Spiller C.S.H.B. No. 4903

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of gold and silver specie and the establishment of a digital 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" and "specie" have the meanings assigned by Section 2116.001.

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

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

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

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

(2)  prevent fraud.

SUBCHAPTER B. ESTABLISHMENT AND ADMINISTRATION OF GOLD AND SILVER SPECIE AND DIGITAL CURRENCY

Sec. 404A.0051.  ESTABLISHMENT. (a) As authorized by Section 10, Article 1, United States Constitution, to the extent the comptroller determines practicable, the comptroller shall:

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

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

(b)  The comptroller may contract with a private vendor to establish the digital currency under Subsection (a)(2) or perform other duties under this chapter. To the extent consistent with state and federal law, in contracting with a private vendor under this subsection the comptroller shall give preference to a vendor whose principal place of business is in this state.

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

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

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

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

(B)  readily transfer the specie to another person.

(d)  In establishing the digital currency under Subsection (a)(2), the comptroller shall provide a means to ensure that a person who holds the digital currency may:

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

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

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

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

Sec. 404A.0053.  ISSUANCE OF DIGITAL CURRENCY. (a) The comptroller may issue to a person the appropriate number of units and fractional units of the digital currency when the person, together with any fee charged under Section 404A.0058:

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

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

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

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

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

(3)  issue to the person a digital currency account with the Texas Bullion Depository, or, if applicable, add to an existing digital currency account held by the person with the depository, the number of units or fractional units of the digital currency equal to the amount of specie or bullion that the money received from the person would buy on the date the payment is received.

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

(1)  withdraw from the person's depository account with the Texas Bullion Depository the amount of gold or silver specie or bullion designated and deposit the specie or bullion for the person to the pooled depository account; and

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

Sec. 404A.0054.  REDEMPTION OF DIGITAL CURRENCY FOR UNITED STATES DOLLARS. (a) A person who holds digital currency may present to the comptroller any number of units or fractional units of the digital currency to redeem for United States dollars.

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

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

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

Sec. 404A.0055.  REDEMPTION OF DIGITAL CURRENCY FOR SPECIE OR BULLION. (a) A person who holds digital currency may present to the comptroller any number of units or fractional units of the digital currency to redeem for an equal fractional number of troy ounces of gold or silver specie or bullion from the pooled depository account.

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

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

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

Sec. 404A.0056.  VALUE OF DIGITAL CURRENCY. (a) At the time of each transaction involving the issuance or redemption of the digital currency, the comptroller shall determine the value of a unit of the digital currency.

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

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

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

(2)  not available for legislative appropriation.

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

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