

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

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

By: Spiller

C.S.H.B. No. 4903

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the issuance of gold and silver specie and the  
3 establishment of a digital currency based on gold and silver;  
4 authorizing a 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) "Digital currency" means the digital  
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 in  
17 the Texas Bullion Depository established under Section 404A.0052.

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

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

23 (2) prevent fraud.

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

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

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

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

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

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

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

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

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

25 (B) readily transfer the specie to another  
26 person.

27 (d) In establishing the digital currency under Subsection

1 (a)(2), the comptroller shall provide a means to ensure that a  
2 person who holds the digital currency may:

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

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

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

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

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

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

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

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

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

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

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

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

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

27           (2) issue to the person a digital currency account

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

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

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

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

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

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

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

1 shall:

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

5 (2) on the payment of a fee charged under Section  
6 404A.0058, deliver the gold or silver specie or bullion to the  
7 requestor as requested.

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

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

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

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

27 (2) not available for legislative appropriation.

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

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