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H.B. No. 1056

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of gold and silver specie and 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. Chapter 2116, Government Code, is amended by
adding Subchapter D to read as follows:

SUBCHAPTER D. GOLD AND SILVER CURRENCY

Sec. 2116.101. DEFINITIONS. In this subchapter:

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

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

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

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

(2) prevent fraud; and

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

Sec. 2116.103. ESTABLISHMENT. (a) As authorized by
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

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 2116.110.

Sec. 2116.107. REDEMPTION OF GOLD AND SILVER CURRENCY FOR SPECIE OR BULLION. (a) A person who holds gold and silver currency may present to the comptroller any number of units or fractional units of the 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 2116.110, deliver the gold or silver specie or bullion to the requestor as requested.

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

(b) The value of a unit of gold and silver 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 depository.

Sec. 2116.109. CERTAIN MONEY AND DEPOSITS HELD IN TRUST AND 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.