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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, the comptroller shall:

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

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

8 (b) The comptroller may contract with a private vendor to
9 establish the gold and silver currency under Subsection (a)(2) or
10 perform other duties under this subchapter. To the extent
11 consistent with state and federal law, in contracting with a
12 private vendor under this subsection the comptroller shall give
13 preference to a vendor whose principal place of business is in this
14 state. The contract may provide for the vendor to pay the initial
15 costs associated with establishing the currency and be reimbursed
16 from fees collected under this subchapter.

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

19 (1) authorize the depository as this state's exclusive
20 issuer; and

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

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

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

26 (d) In establishing the gold and silver currency under
27 Subsection (a)(2), the comptroller shall provide a means to ensure

1 that a person who holds the currency may:

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

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

6 Sec. 2116.104. POOLED DEPOSITORY ACCOUNT. (a) The
7 comptroller, serving as trustee, or another person the comptroller
8 appoints to serve as trustee, shall hold in trust on behalf of gold
9 and silver currency holders all gold and silver specie and bullion
10 owned or purchased for the purposes of issuing the currency. The
11 trustee shall maintain enough gold and silver specie or bullion to
12 provide for the redemption of all units of the currency issued but
13 not redeemed.

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

19 Sec. 2116.105. ISSUANCE OF GOLD AND SILVER CURRENCY. (a)
20 The comptroller may issue to a person the appropriate number of
21 units and fractional units of gold and silver currency when the
22 person, together with any fee charged under Section 2116.110:

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

26 (2) designates gold or silver specie or bullion held
27 in a depository account to be transferred to the pooled depository

1 account for the purpose of being represented by the currency.

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

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

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

11 (3) issue to the person a gold and silver currency
12 account with the depository, or, if applicable, add to an existing
13 gold and silver currency account held by the person with the
14 depository, the number of units or fractional units of gold and
15 silver currency equal to the amount of specie or bullion that the
16 money received from the person would buy on the date the payment is
17 received.

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

20 (1) withdraw from the person's depository account the
21 amount of gold or silver specie or bullion designated and deposit
22 the specie or bullion for the person to the pooled depository
23 account; and

24 (2) issue to the person a gold and silver currency
25 account with the depository, or, if applicable, add to an existing
26 gold and silver currency account held by the person with the
27 depository, the number of units or fractional units of gold and

1 silver currency equal to the amount of gold or silver specie or
2 bullion that the pooled depository account received from the person
3 on that date.

4 Sec. 2116.106. REDEMPTION OF GOLD AND SILVER CURRENCY FOR
5 UNITED STATES DOLLARS. (a) A person who holds gold and silver
6 currency may present to the comptroller any number of units or
7 fractional units of the currency to redeem for United States
8 dollars.

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

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

15 (2) provide to the person an amount of United States
16 dollars equal to the amount received from the sale of the gold and
17 silver specie or bullion under Subdivision (1), less the amount of
18 any fee charged under Section 2116.110.

19 Sec. 2116.107. REDEMPTION OF GOLD AND SILVER CURRENCY FOR
20 SPECIE OR BULLION. (a) A person who holds gold and silver currency
21 may present to the comptroller any number of units or fractional
22 units of the currency to redeem for an equal fractional number of
23 troy ounces of gold or silver specie or bullion from the pooled
24 depository account.

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

27 (1) withdraw the equivalent fractional number of troy

1 ounces of gold or silver specie or bullion from the pooled
2 depository account; and

3 (2) on the payment of a fee charged under Section
4 2116.110, deliver the gold or silver specie or bullion to the
5 requestor as requested.

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

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

14 Sec. 2116.109. CERTAIN MONEY AND DEPOSITS HELD IN TRUST AND
15 NOT SUBJECT TO LEGISLATIVE APPROPRIATION. Money received under
16 Section 2116.105(a), gold or silver specie or bullion purchased or
17 deposited in the pooled depository account as provided by Section
18 2116.105(b) or (c), and money received from the sale of gold or
19 silver specie or bullion in the pooled depository account in
20 response to a request for redemption under Section 2116.106 is:

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

24 (2) not available for legislative appropriation.

25 Sec. 2116.110. FEE. The comptroller may establish a fee for
26 the issuance or redemption of gold and silver currency to cover the
27 comptroller's costs in administering this subchapter and an

1 industry standard merchant fee for use. The comptroller shall
2 deposit the net fee proceeds after costs to the credit of the
3 general revenue fund.

4 SECTION 2. This Act takes effect September 1, 2025.