

2024 Regular Session

HOUSE BILL NO. 714

BY REPRESENTATIVE CREWS

BANKS/BANKING: Establishes gold and silver as currency

1 AN ACT

2 To enact Chapter 13-A of Title 6 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 6:1061 through 1070, relative to gold and silver currency; to provide for
4 definitions; to establish bullion and specie as currency; to provide for administration;
5 to permit redemption of currency for other legal tender; to provide for valuing
6 currency; to provides for exemptions; to provide for administrative costs and fees;
7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 13-A of Title 6 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 6:1061 through 1070, is hereby enacted to read as follows:

11 CHAPTER 13-A. GOLD AND SILVER CURRENCY

12 §1061. Definitions

13 As used in this Chapter:

14 (1) "Bullion" means precious metals that are formed into uniform shapes and
15 quantities such as ingots, bars, or plates, with uniform content and purity, as are
16 suitable for or customarily used in the purchase, sale, storage, transfer, and delivery
17 of bulk or wholesale transactions in precious metals. For the purposes of this
18 Chapter, the term "bullion" includes only gold and silver.

19 (2) "Bullion depository" or "depository" means an institution which contracts
20 with the treasurer on behalf of the state to serve as the custodian, guardian, and

1 administrator of certain bullion and specie that may be transferred to or otherwise
2 acquired by this state or an agency, a political subdivision, or another instrumentality
3 of this state.

4 (3) "Currency" means the representation of actual gold and silver, specie,
5 and bullion held in a depository account by a depository account holder. Such
6 representation shall reflect the exact unit(s) of physical specie or gold and silver
7 bullion in the pooled depository account in its fractional troy ounce measurement as
8 provided in this Chapter.

9 (4) "Deposit" means the establishment of an executory obligation of the
10 depository to deliver to the order of the person establishing with a depository the
11 obligation, on demand, a quantity of a specified precious metal, in bullion, specie,
12 or a combination of bullion and specie, equal to the quantity of the same precious
13 metal delivered by or on behalf of the depositor into the custody of either of the
14 following:

15 (a) A depository.

16 (b) A depository agent.

17 (5) "Depositor" means a person who makes a deposit.

18 (6) "Depository account" means the rights, interests, and entitlements
19 established in favor of a depositor with respect to a deposit pursuant to this Chapter
20 and rules adopted in accordance with this Chapter.

21 (7) "Depository account holder" means the original depositor or a successor
22 or assignee of the depositor into the depository account.

23 (8) "Pooled depository account" means the account in a depository that holds
24 in trust all specie and bullion owned and allocated or purchased for such purposes
25 on behalf of the currency holders or depositors.

26 (9) "Precious metal" means a metal, including gold and silver, that has both
27 of the following attributes:

28 (a) Bears a high value-to-weight ratio relative to common industrial metals.

29 (b) Customarily is formed into bullion or specie.

1 (10) "Specie" means a precious metal stamped into coins of uniform shape,
2 size, design, content, and purity, suitable for or customarily used as currency, as a
3 medium of exchange, or as the medium for purchase, sale, storage, transfer, or
4 delivery of precious metals in retail or wholesale transactions.

5 (11) "Treasurer" means the state treasurer whose executive office and powers
6 are prescribed in R.S. 36:761, et seq.

7 §1062. Rules; rule promulgation by the treasurer

8 The treasurer may adopt rules in accordance with the Administrative
9 Procedure Act as necessary or convenient to implement this Chapter, including rules
10 to accomplish all of the following:

11 (1) Ensure the security of the specie, bullion, currency, transactions and
12 related data.

13 (2) Prevent fraud.

14 (3) Prohibit transactions involving foreign nations or enemies of this state.

15 §1063. Establishment and administration of bullion and specie as currency

16 A. As authorized by Article I., Section 10 of the Constitution of the United
17 States, the treasurer shall issue specie and establish a currency as determined
18 practicable.

19 B. The treasurer may choose to contract with a bullion depository of any
20 state in the United States or a private vendor who has its principal place of business
21 and its center of operations in this state to establish the currency or perform other
22 duties pursuant to this Chapter. Such contract may additionally provide for the
23 initial start-up expense of this Chapter.

24 C.(1) In establishing the currency, the treasurer shall establish a means to
25 ensure that a person who holds the currency may use the currency as legal tender in
26 payment of debt or readily transfer or assign such currency to any other person or
27 state by electronic means.

28 (2) In establishing specie, the treasurer shall exclusively authorize the
29 depository, pursuant to a contract with the state, as the issuer of specie in the state

1 and ensure that the holder of such specie may use such as legal tender in payment of
2 debt, readily transferable to another person or state.

3 D.(1) No currency, bullion, or specie, pursuant to this Chapter shall directly
4 or indirectly be loaned, or used to fund loans in any instance by the depository, nor
5 shall the treasurer or any person appointed as trustee authorize the funding of loans
6 with such currency, bullion, or specie.

7 (2) Notwithstanding any law to the contrary, all bullion, specie, or currency
8 established pursuant to this Chapter, which is deposited in a depository by a
9 depositor or on behalf of a depositor, shall be the sole property of that depositor.

10 §1064. Bullion depository accounts; powers of trustee

11 A. The treasurer, serving as trustee, or his designee appointed to serve as
12 trustee, shall hold in trust on behalf of a depository account holder all specie and
13 bullion owned or purchased for deposit. The trustee shall maintain enough specie
14 or bullion to provide for the redemption of all units of the currency issued but not
15 redeemed.

16 B. The trustee shall establish an account in a bullion depository of any state
17 of the United States, or a private vendor with whom the treasurer contracts, to hold
18 in trust as trustee on the behalf of the depository account holder all specie and
19 bullion owned and allocated or purchased for such purposes.

20 §1065. Purchase and issuance

21 A. A person or any state of the United States, may be issued their currency
22 by the treasurer upon doing either of the following:

23 (1) Making payment to the treasurer for the purpose of a purchase of specie
24 or bullion to be represented by currency together with any fee charged pursuant to
25 R.S. 6:1070.

26 (2) Designating specie or bullion held on account in a depository for the
27 purpose of being represented by currency together with payment of any fee charged
28 pursuant to R.S. 6:1070.

1 B. Upon receiving payment pursuant to Paragraph (A)(1) of this Section or
2 an account holder's designation and payment pursuant to Paragraph (A)(2) of this
3 Section, the treasurer shall do all of the following:

4 (1) Using the money received, buy specie or bullion in the number of troy
5 ounces of precious metal equal to the number of units of the currency to be issued
6 to the purchaser pursuant to Subsection A of this Section.

7 (2) Deposit specie or bullion into the pooled depository account for a
8 purchaser pursuant to Subsection A of this Section.

9 (3) Issue to the purchaser an account with, or add to an existing currency
10 account, a number of units of the currency equal to the amount of specie or bullion
11 that the purchase money received from the account holder would buy at the market
12 price on that date as published by a depository.

13 §1066. Redemption of currency for United States dollars

14 A. A person who holds currency may present to the treasurer any number of
15 units of the currency to redeem for United States dollars.

16 B. On receipt of a person's request for redemption, the treasurer shall do both
17 of the following:

18 (1) Sell from the specie or bullion held in the pooled depository account a
19 number of troy ounces equal to the number of units of the currency being redeemed.

20 (2) Provide to the person an amount of United States dollars equal to the
21 amount received from the sale of specie or bullion pursuant to Paragraph (1) of this
22 Subsection, less a fee charged pursuant to R.S. 6:1070.

23 §1067. Redemption of currency for specie or bullion

24 A. Subject to R.S. 6:1063, an account holder who holds the currency may
25 present to the treasurer any number of units of the currency to redeem for an equal
26 number of troy ounces of specie or bullion from the pooled depository account.

27 B. The treasurer shall do both of the following on receipt of a request for
28 redemption:

1 (1) Withdraw the equivalent number of troy ounces of specie or bullion from
2 the pooled depository account.

3 (2) Deliver the specie or bullion as requested to the requestor on the payment
4 of a fee charged pursuant to R.S. 6:1070.

5 §1068. Value of currency

6 A. At the time of each transaction involving the issuance or redemption of
7 the currency, the treasurer shall determine the value of a unit of the currency as
8 published by a depository.

9 B. The value of a unit of the currency at the time of a transaction shall be
10 equal to the value of the appropriate fraction of a troy ounce of gold or silver,
11 respectively, at the time of that transaction as published by a depository.

12 §1069. Money and deposits held in trust; exemption from appropriation

13 Money received pursuant to R.S. 6:1065, specie or bullion purchased and
14 deposited in the pooled depository account as provided by R.S. 6:1065(B)(2), and
15 money received from the sale of specie or bullion in the pooled depository account
16 in response to a request for redemption pursuant to R.S. 6:1066 is held by the
17 treasurer as trustee outside the state treasury on the behalf of persons who hold the
18 currency and is not available for legislative appropriation.

19 §1070. Administration costs; fees

20 The treasurer may establish a fee for the issuance or redemption of the
21 currency to cover the costs of administering the provisions of this Chapter and an
22 industry standard merchant fee for use. The treasurer shall deposit the net fee
23 proceeds, after costs, to the credit of an account established in the state general fund.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 714 Original

2024 Regular Session

Crews

Abstract: Establishes gold and silver as currency in the state and authorizes the treasurer to promulgate rules, establish accounts with a bullion depository, and act as trustee.

Proposed law (R.S. 6:1061) defines "bullion", "bullion depository", "currency", "deposit", "depositor", "depository account", "depository account holder", "pooled depository account", "precious metal", "specie", and "treasurer".

Proposed law (R.S. 6:1062) provides that the treasurer may adopt rules in accordance with the APA as necessary or convenient to implement proposed law.

Proposed law (R.S. 6:1063(A) and (B)) provides that the treasurer may issue and establish gold and silver specie as currency and choose to contract with a bullion depository of another state or private vendor with the state.

Proposed law (R.S. 6:1063(C)) provides for the requirements of the treasurer regarding the establishment as bullion and specie as currency.

Proposed law (R.S. 6:1063(D)) provides that currency, bullion, or specie pursuant to proposed law shall not be used to fund loans. Proposed law further provides that all currency established under proposed law is the property of the depositor.

Proposed law (R.S.6:1064) provides for the powers of the treasurer or an appointed person as trustee.

Proposed law (R.S.6:1065) provides for the requirements of issuance and purchase of currency and bullion from the Dept. of Treasury by a person or state.

Proposed law (R.S. 6:1066) provides for the circumstances under which a person may redeem gold or silver currency for U.S. dollars.

Proposed law (R.S. 6:1067) provides for the circumstances under which a person may redeem currency for bullion or specie.

Proposed law (R.S. 6:1068) provides the criteria for valuing currency.

Proposed law (R.S. 6:1069) provides that money received pursuant to proposed law (R.S. 6:1065), specie or bullion purchased and deposited in the pooled depository account, and money received from the sale of specie or bullion is not subject to legislative appropriation under certain circumstances.

Proposed law (R.S. 6:1070) permits the treasurer to establish a fee for the issuance or redemption of the currency to cover the costs of administering proposed law.

(Adds R.S. 6:1061-1070)