



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 386** HLS 25RS 424
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 2, 2025	11:50 AM	Author: CREWS
Dept./Agy.: Treasury		
Subject: Gold and Silver as Currency		Analyst: Kimberly Fruge

BANKS/BANKING OR INCREASE SG EX See Note Page 1 of 2
Establishes gold and silver as currency

Proposed law provides for the establishment of gold and silver as currency; allows the treasurer to contract with a bullion depository from any state in the U.S. or a private vendor in Louisiana to establish the currency or perform other duties; requires the treasurer establish a means to ensure that a person who holds the currency or specie may use the currency or specie as legal tender; requires the treasurer to hold in trust, on behalf of a depository account holder, all specie and bullion owned or purchased for deposit and requires the trustee maintain enough specie or bullion to provide for the redemption of all units of the currency issued but not redeemed; allows the treasurer to exchange currencies and charge a transaction fee for any such exchange; provides the treasurer deposit net proceeds, after costs, to the state general fund; provides that the state shall not incur any additional costs to the state general fund to administer the provisions of proposed law.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in a significant increase in SGR expenditures for the treasury, to the extent the treasurer establishes gold and silver as a means of currency and maintains a state-run bullion depository pursuant to proposed law. Proposed law provides for the establishment of gold and silver as a currency and provides for various responsibilities for the treasurer including the ability to contract certain services. The treasury indicates it will likely contract out the allowable services provided for in proposed law and will need an additional four (4) T.O. positions to provide the in-house services, as detailed below.

Contracted Services: Proposed law allows the treasury to contract with a third party to issue species (coins) and establish a currency, establish means for the currency to be utilized as legal tender, establish a depository as the issuer of the species, and establish a trust to hold all specie and bullion owned or purchased for deposit. In addition, the department anticipates needing to hire outside legal counsel with expertise in currency. The increase in expenditures to contract these services is indeterminable at this time but is likely significant.

In-house Services: Proposed law requires the treasury to exchange money for specie or bullion, deposit specie or bullion into the depository account, issue the purchases an account with the specie or bullion, value and redeem currency. The department anticipates needing new T.O. positions to undertake the above actions and assumes most of the transactions would take place online through electronic payment. The positions, with salaries and related benefits, are listed in the table below.

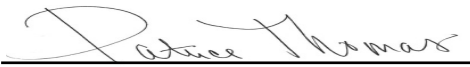
	Salary	Related Benefits	Total
IT Director	\$120,308	\$58,429	\$178,737
IT Technical Support Analyst	\$71,532	\$40,797	\$112,329
Administrative Program Specialist	\$51,156	\$33,431	\$84,587
Attorney 4	\$95,524	\$49,470	\$144,994
Total			\$520,647

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REVENUE EXPLANATION

Proposed law will result in an increase in SGR revenues for the department to the extent the treasury establishes a transaction fee to cover costs to administer the gold and silver currency program. After costs to the treasury are covered, any remaining balance would be transferred to the State General Fund. Any increase is speculative at this time.

Senate	Dual Referral Rules	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2


EXPENDITURE EXPLANATION CONTINUED:

Proposed law also requires the treasury to maintain enough specie or bullion to provide for the redemption of all units of the currency issued but not redeemed. The department reports it will likely need to seek a bond or insurance to guarantee all units issued. It is unknown at this time if such a bond or insurance is available for this purpose or what the costs may be.

Note: Proposed law authorizes the department to charge a transaction fee to cover the costs required to administer the program and states that State General Fund shall not be used to administer proposed law. The treasury notes that it will only start charging a fee once the program is established. Proposed law allows the treasurer to contract with a bullion depository, and such contract may provide for the initial start-up expenses. The LFO anticipates the treasury will need to enter into a public-private partnership to cover the initial start-up costs without additional SGF budget authority.

Senate Dual Referral Rules
☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


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Deputy Fiscal Officer