

2025 Regular Session

HOUSE BILL NO. 386

BY REPRESENTATIVE CREWS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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 rule
5 promulgation; to provide for administration; to provide for bullion depository
6 accounts; to provide for the powers of trustee; to provide for the purchase and
7 issuance of currency; to permit redemption of currency for other legal tender; to
8 provide for valuing currency; to provide for exemptions; to authorize the
9 establishment of fees; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

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

13 CHAPTER 13-A. GOLD AND SILVER CURRENCY

14 §1061. Definitions

15 As used in this Chapter:

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

1 (2) "Bullion depository" or "depository" means an institution which contracts
2 with the treasurer on behalf of the state to serve as the custodian, guardian, and
3 administrator of certain bullion and specie that may be transferred to or otherwise
4 acquired by this state or an agency, a political subdivision, or another instrumentality
5 of this state.

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

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

17 (a) A depository.

18 (b) A depository agent.

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

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

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

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

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

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

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

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

7 (11) "Treasurer" means the state treasurer whose executive office and powers
8 are prescribed in R.S. 36:761.

9 §1062. Rules; rule promulgation by the treasurer

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

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

15 (2) Ensure the privacy of a depositor's personal financial information or
16 related data.

17 (3) Prohibit the sale or distribution of a depositor's personal financial
18 information or related data to any unaffiliated third party.

19 (4) Prevent fraud.

20 (5) Prohibit transactions involving foreign nations or enemies of this state.

21 B. For the purposes of this Chapter, the treasurer shall not authorize or
22 implement any rules or have any duties beyond those rules and duties required to
23 make gold and silver a means of currency in the state.

24 §1063. Establishment and administration of bullion and specie as currency

25 A. As authorized by Article I, Section 10 of the Constitution of the United
26 States of America, the treasurer shall issue specie and establish a currency as
27 determined practicable.

28 B. The treasurer may choose to contract with a bullion depository of any
29 state in the United States or a private vendor who has its principal place of business

1 and its center of operations in this state to establish the currency or perform other
2 duties pursuant to this Chapter. Such contract may additionally provide for the
3 initial start-up expense of this Chapter.

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

8 (2) In establishing specie, the treasurer shall exclusively authorize the
9 depository, pursuant to a contract with the state, as the issuer of specie in the state
10 and ensure that the holder of such specie may use such as legal tender in payment of
11 debt, readily transferable to another person or state.

12 D.(1) No currency, bullion, or specie, pursuant to this Chapter, shall directly
13 or indirectly be loaned or invested, or used to fund loans or investments in any
14 instance by the depository, nor shall the treasurer or any person appointed as trustee
15 by the treasurer authorize the funding of loans or investments with such currency,
16 bullion, or specie.

17 (2) Notwithstanding any law to the contrary, all bullion, specie, or currency
18 established pursuant to this Chapter, which is deposited in a depository by a
19 depositor or on behalf of a depositor, shall be the sole property of that depositor. The
20 depository shall not withhold the currency of any depositor or impose a waiting
21 period on a depositor for the withdrawal of his currency.

22 §1064. Bullion depository accounts; powers of trustee

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

28 B. The trustee shall establish an account in a bullion depository of any state
29 of the United States, or a private vendor with whom the treasurer contracts, to hold

1 in trust as trustee on the behalf of the depository account holder all specie and
2 bullion owned and allocated or purchased for such purposes.

3 §1065. Purchase and issuance

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

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

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

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

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

18 (2) Deposit specie or bullion into the pooled depository account for a
19 purchaser pursuant to R.S. 6:1064(A).

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

24 §1066. Redemption of currency for United States dollars

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

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

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

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

6 §1067. Redemption of currency for specie or bullion

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

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

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

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

16 §1068. Value of currency

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

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

23 §1069. Money and deposits held in trust; exemption from appropriation

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

1 §1070. Administration costs; fees

2 The treasurer may establish a fee for the issuance or redemption of the

3 currency to cover the costs of administering the provisions of this Chapter and an

4 industry standard merchant fee for use. The treasurer shall deposit the net fee

5 proceeds, after costs, to the credit of an account established in the state general fund.

6 The state shall not incur any additional costs to the state general fund to administer

7 the provisions of this Chapter.

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 386 Original

2025 Regular Session

Crews

Abstract: Establishes gold and silver as currency.

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 also provides that the treasurer shall not authorize or implement any rules or have any duties beyond those rules and duties required to make gold and silver a means of currency in the state.

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 of 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 or investments. Proposed law further provides that all currency established under proposed law is the property of the depositor. The depository shall not withhold the currency of any depositor or impose a waiting period on a depositor for the withdrawal of his currency.

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 are 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. Proposed law further provides that the state shall not incur additional costs to the state general fund to administer the provisions of proposed law.

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