

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1351

By: Bullard

AS INTRODUCED

An Act relating to the Oklahoma Bullion Depository; defining terms; establishing Oklahoma Bullion Depository in the Office of the State Treasurer; providing for appointment and duties of administrator and deputy administrator; providing that deposits made not be considered part of General Revenue Fund or certified as available for appropriation; providing for deposit of certain monies to General Revenue Fund; providing for receipt of deposits; specifying procedures; specifying certain duties of State Treasurer; requiring promulgation of rules; establishing standards for testing and authenticity; providing for delivery and shipping of deposits held by or on behalf of depository; providing for the issuance of a debit card to the depository account holder; providing procedures for transfer of accounts; providing for accounting of depository account balances; specifying procedures for establishment of depository accounts; requiring contracts and specifying terms; providing for contract amendments; specifying when cause of action for denial of deposit liability may accrue; authorizing State Treasurer to establish fees and penalties; providing for pledges and transfers of depository accounts; prohibiting certain payments; providing for liens on depository accounts and payments of certain obligations; providing for investments by certain persons and entities; providing for credit against certain tax; providing for governance of certain laws; allowing pledge or transfer of jointly held accounts; providing that ownership not be severed thereby; allowing depository or depository agent to accept accounts in name of fiduciary; providing procedures in cases of persons claiming to be trustees; providing that depository

1 not have further liability; requiring depository to
2 recognize certain authority upon notice; requiring
3 depository to enter into certain transactions and
4 relationships; prohibiting certain acts; voiding
5 certain actions to control accounts; providing
6 procedures for depository in such instance; requiring
7 State Treasurer to establish exchange rate references
8 and accounting and reporting requirements; requiring
9 annual report; providing procedures to conduct retail
10 transactions; providing for licensing and appointment
11 of depository agents; specifying requirements
12 applicable to depository agents; providing for
13 depository agent services; prohibiting certain acts
14 by unlicensed persons; prohibiting licensure of
15 certain persons; specifying circumstances under which
16 person engages in business of depository agent
17 services; providing for application for depository
18 agent license; requiring certain security; allowing
19 temporary licensure; specifying liability, duties,
20 and prohibited acts of depository agent license
21 holder; providing for revocation of licenses;
22 prohibiting consideration of deposits as assets in
23 certain proceedings; requiring furnishing of certain
24 information in connection with transactions;
25 providing for codification; and providing an
26 effective date.

27 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

28 SECTION 1. NEW LAW A new section of law to be codified
29 in the Oklahoma Statutes as Section 2501 of Title 62, unless there
30 is created a duplication in numbering, reads as follows:

31 As used in this act:

32 1. "Administrator" means the bullion depository administrator
33 appointed pursuant to Section 3 of this act;

34 2. "Bullion" means precious metals that are formed into uniform
35 shapes and quantities such as ingots, bars, or plates, with uniform

1 content and purity, as are suitable for or customarily used in the
2 purchase, sale, storage, transfer, and delivery of bulk or wholesale
3 transactions in precious metals;

4 3. "Business day" means a day other than a Saturday, Sunday, or
5 banking holiday for a bank chartered pursuant to the laws of this
6 state;

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

- 13 a. the depository, or
- 14 b. a depository agent;

15 5. "Depositor" means a person who makes a deposit;

16 6. "Depository" means the Oklahoma Bullion Depository created
17 by this act;

18 7. "Depository account" means the rights, interests, and
19 entitlements established in favor of a depositor with respect to a
20 deposit in accordance with this act and rules promulgated pursuant
21 to this act;

22 8. "Depository account holder", regarding a depository account,
23 means the original depositor or a successor or assignee of the
24 depositor respecting the depository account;

1 9. "Depository agent" means a person licensed in accordance
2 with this act to serve as an intermediary between the depository and
3 a retail customer in making a transaction in precious metals bullion
4 or specie;

5 10. "Depository agent services" means services rendered to the
6 public for or on behalf of the Oklahoma Bullion Depository in the
7 nature of purchasing, selling, transferring, accepting,
8 transporting, delivering, or otherwise dealing in precious metals
9 bullion or specie in connection with the creation, transfer,
10 clearing, settlement, or liquidation of the rights and interests of
11 a depository account holder and a direct or indirect transferee of a
12 depository account holder. The term "depository agent services"
13 does not include:

- 14 a. participation as a party or counterparty to a
15 transaction including an agreement with respect to a
16 transaction, in or in connection with a contract for
17 the purchase or sale of a person's rights and
18 interests as a depository account holder, as a cash
19 contract for present delivery, a cash contract for
20 deferred shipment or delivery, or a contract for
21 future delivery, where the underlying deliverable
22 consists of the depository account holder's interest
23 in the depository account, rather than the underlying
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1 precious metal represented by the depository account
2 balance,

3 b. the opening, transfer, settlement, or liquidation of
4 any derivative of a contract described by subparagraph
5 a of this paragraph including a forward transaction,
6 swap transaction, currency transaction, future
7 transaction, index transaction, or option on or other
8 derivative of a transaction of any of those types, in
9 the nature of a cap transaction, floor transaction,
10 collar transaction, repurchase transaction, reverse
11 repurchase transaction, buy-and-sell-back transaction,
12 securities lending transaction, or other financial
13 instrument or interest including an option with
14 respect to a transaction, or any combination of these
15 transactions, or

16 c. the rendition of services exclusively in support of
17 the opening, transfer, settlement, or liquidation of
18 transaction derivatives described by subparagraph b of
19 this paragraph through a central counterparty, such as
20 those customarily rendered by a clearinghouse,
21 clearing association, or clearing corporation, or
22 through an interbank payment system, physical or
23 electronic trading facility, broker or brokerage firm,
24 or similar entity, facility, system, or organization;

1 11. "Precious metal" means a metal including gold, silver,
2 platinum, palladium, and rhodium, that:

- 3 a. bears a high value-to-weight ratio relative to common
4 industrial metals, and
5 b. customarily is formed into bullion or specie; and

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

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2502 of Title 62, unless there
13 is created a duplication in numbering, reads as follows:

14 A. The Oklahoma Bullion Depository shall be established as a
15 division in the Office of the State Treasurer.

16 B. The depository shall be established to serve as the
17 custodian, guardian, and administrator of certain bullion and specie
18 that may be transferred to or otherwise acquired by this state or an
19 agency, a political subdivision, or another instrumentality of this
20 state.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2503 of Title 62, unless there
23 is created a duplication in numbering, reads as follows:

1 A. The depository shall be under the direction and supervision
2 of a bullion depository administrator jointly appointed by the
3 Governor and the State Treasurer with the advice and consent of the
4 Senate.

5 B. The administrator shall:

6 1. Administer, supervise, and direct the operations and affairs
7 of the depository and depository agents; and

8 2. Liaise with the State Treasurer and other divisions of the
9 Office of the State Treasurer to ensure that each transaction with
10 the depository that involves state money, an agency, a political
11 subdivision, or another instrumentality of this state, or a private
12 person is planned, administered, and executed in a manner to achieve
13 the purposes of this act.

14 C. The administrator may appoint, subject to the approval of
15 the State Treasurer, a deputy administrator or other subordinate
16 officer as necessary and appropriate to execute the efficient
17 administration of the depository.

18 SECTION 4. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2504 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 No deposits made to the depository shall be considered part of
22 the General Revenue Fund or shall be certified by the State Board of
23 Equalization as available for appropriation; provided, revenue the
24 depository realizes from fees, charges, or other payments received
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1 in the course of depository operations shall be deposited to the
2 credit of the General Revenue Fund.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2505 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 A. The depository may receive a deposit of bullion or specie
7 from or on behalf of a person acting in the person's own right, as
8 trustee, or in another fiduciary capacity, in accordance with rules
9 promulgated by the State Treasurer as appropriate to:

- 10 1. Ensure compliance with law; and
- 11 2. Protect the interests of:
 - 12 a. the depository,
 - 13 b. depository account holders,
 - 14 c. this state and the agencies, political subdivisions,
15 and instrumentalities of this state, and
 - 16 d. the public at large.

17 B. The depository shall record the amount of precious metals a
18 person deposits, regardless of form, in units of troy ounces pure,
19 and the records must also specify the type and quantity of each
20 precious metal deposited.

21 C. The State Treasurer shall promulgate rules to adopt
22 standards by which the quantities of precious metals deposited are
23 credited to a depositor's depository account by reference to the
24 particular form in which the metals were deposited, classified by

1 mint, denomination, weight, assay mark, or other indicator, as
2 applicable. The standards must conform to applicable national and
3 international standards of weights and measures.

4 D. The State Treasurer may, if the State Treasurer determines
5 that to do so is in the public interest, promulgate rules to
6 restrict the forms in which deposits of precious metals may be made
7 to those forms that conveniently lend themselves to measurement and
8 accounting in units of troy ounces and standardized fractions of
9 troy ounces.

10 E. The State Treasurer shall promulgate rules developing
11 standards and establishing fees for testing and authenticity of
12 deposits.

13 F. The depository shall adjust each depository account balance
14 to reflect additions to or withdrawals or deliveries from the
15 account.

16 SECTION 6. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2506 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. The depository shall deliver any precious metal held by or
20 on behalf of the depository in bullion, specie, or a combination of
21 bullion and specie, on the order of a depository account holder in a
22 quantity of that precious metal as is available in the depository
23 account holder's depository account.

1 B. The depository shall make a delivery as required by
2 subsection A of this section on demand by the presentment of a
3 suitable check, draft, or digital electronic instruction to the
4 depository or a depository agent. The State Treasurer shall
5 promulgate rules to adopt the forms, standards, and processes
6 through which an order for delivery on demand may be made,
7 presented, and honored.

8 C. The depository shall make a delivery at the depository's
9 settlement facility designated by the State Treasurer, shipping to
10 an address specified by the account holder or, at the depository's
11 discretion, at a facility of a depository agent at which presentment
12 is made, not later than five (5) business days after the date of
13 presentment.

14 D. The depository shall make available a debit card, issued
15 upon a request by the depository account holder, in which the
16 depository account holder may make transactions which are debited
17 from the balance of the holder's account. The balance available to
18 the depository account holder through use of the debit card shall be
19 equal to eighty percent (80%) of the current spot price of the
20 deposits of the depository account holder. The State Treasurer
21 shall promulgate rules to implement the provisions of this
22 subsection, including the establishment of fees and procedures for
23 the issuance of the debit card.
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1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2507 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. In accordance with rules promulgated pursuant to this act, a
5 depository account holder may transfer any portion of the balance of
6 the holder's depository account by check, draft, or digital
7 electronic instruction to another depository account holder or to a
8 person who at the time the transfer is initiated is not a depository
9 account holder.

10 B. The depository shall adjust the depository account balances
11 of the depository accounts to reflect a transfer transaction between
12 depository account holders on presentment of the check, draft, or
13 other instruction by reducing the payor's depository account balance
14 and increasing the depository account balance of the payee
15 accordingly.

16 C. If a depository account holder transfers to a payee who is
17 not a depository account holder any portion of the balance of the
18 holder's depository account, the depository shall allow the payee to
19 establish a depository account by presentment of the payor's check,
20 draft, or instruction to the depository or to a depository agent.
21 The depository shall credit a newly established account on behalf of
22 the payee and shall debit the payor's account accordingly.

1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2508 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. To establish a depository account, a depositor shall
5 contract with the depository for a depository account. The contract
6 shall include, but not be limited to, with specificity:

7 1. The terms applicable to the account including any special
8 terms;

9 2. The conditions in which amendments may be made to the
10 contract; and

11 3. The conditions in which withdrawals or deliveries with
12 respect to the account may be made.

13 B. The execution of a contract for a depository account
14 described by this section may be made, as prescribed by rules
15 promulgated pursuant to this act, by electronic or digital
16 transmission and signature.

17 C. The depository or a depository agent shall hold the contract
18 for a depository account in the records pertaining to the account.

19 D. A contract for a depository account executed by a depositor
20 and the depository is considered a contract in writing for all
21 purposes and may be evidenced by one or more agreements, deposit
22 receipts, signature cards, amendment notices, or other executed
23 documents as provided by law.

1 E. The depository and the depository account holder may amend a
2 contract for a depository account by agreement, or the depository
3 may amend the deposit contract by mailing a written notice of the
4 amendment to the account holder, separately or as an enclosure with
5 or part of the account holder's statement of account or passbook.
6 In the case of amendment by notice from the depository, the notice
7 shall include the language of the amendment and the date the
8 amendment is in effect. The date the amendment is in effect shall
9 not be earlier than the thirtieth day after the date the notice is
10 postmarked, unless otherwise provided by rules promulgated pursuant
11 to this act.

12 SECTION 9. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2509 of Title 62, unless there
14 is created a duplication in numbering, reads as follows:

15 A. A cause of action for denial of deposit liability on a
16 depository account contract without a maturity date does not accrue
17 until the depository has denied liability and given notice of the
18 denial to the depository account holder.

19 B. The depository's act of furnishing an account statement or
20 passbook, whether in physical, digital, or electronic form,
21 constitutes a denial of liability and the giving of such notice as
22 to any amount not shown on the statement or passbook.
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1 SECTION 10. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2510 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 The State Treasurer may promulgate rules to establish fees,
5 service charges, and penalties to be charged to a depository account
6 holder for a service or activity regarding a depository account
7 including a fee for an overdraft, an insufficient fund check or
8 draft, or a stop payment order.

9 SECTION 11. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2511 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 Unless the depository acknowledges in writing a pledge of a
13 depository account, the depository may treat the holder of record of
14 the account as the owner of the account for all purposes and without
15 regard to a notice to the contrary.

16 SECTION 12. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2512 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. A depository account may be transferred on the books of the
20 depository only on presentation to the depository of:

- 21 1. Evidence of transfer satisfactory to the depository; and
- 22 2. An application for the transfer submitted by the person to
23 whom the depository account is to be transferred.

1 B. A person to whom a depository account is to be transferred
2 shall accept the transferred account subject to the terms of the
3 deposit contract, this act, and rules promulgated pursuant to this
4 act.

5 SECTION 13. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2513 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

8 The depository shall not pay on a depository account:

- 9 1. Interest;
- 10 2. An amount in the nature of interest; or
- 11 3. A fee or other payment for the use or forbearance of use of
12 money, bullion, specie, or precious metals deposited to a depository
13 account.

14 SECTION 14. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2514 of Title 62, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Without the need of any further agreement or pledge, the
18 depository shall have a lien on each depository account owned by a
19 depository account holder to secure any fees, charges, or other
20 obligations owed or that may become owed to the depository in
21 connection with any of the depository account holder's depository
22 accounts as provided by the terms of the depository account holder's
23 applicable depository account contract.

1 B. On default in the payment or in the satisfaction of a
2 depository account holder's obligation, the depository, without
3 notice to or consent of the depository account holder, may transfer
4 on the depository's record all or part of the balance of a
5 depository account holder's depository account to the extent
6 necessary to pay or satisfy the obligation, as determined by
7 reference to the exchange rates applicable at the time of the
8 transfer.

9 C. The depository by written instrument may waive wholly or
10 partly the depository's lien on a depository account.

11 D. Subject to a lien created as provided by this section, the
12 depository shall recognize the lawful pledge to a third party by a
13 depository account holder of the depository account holder's rights,
14 interests, and entitlements in and to a depository account as an
15 intangible asset. On the satisfaction of other requirements of law
16 in respect of the perfection and enforcement of a pledge of that
17 type, the depository shall take all steps reasonably necessary and
18 appropriate to effectuate on the depository's books any transfer of
19 a depository account or of all or part of a depository account
20 balance to the account of the secured party on the successful
21 enforcement of the pledge.

22 SECTION 15. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 2515 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 A. The following persons may invest the person's money in a
2 depository account by purchasing precious metals and depositing the
3 precious metals with the depository or a depository agent:

4 1. A fiduciary including an administrator, executor, custodian,
5 guardian, or trustee;

6 2. A political subdivision of this state or an instrumentality
7 of this state;

8 3. A business or nonprofit corporation;

9 4. A charitable or educational corporation or association; or

10 5. A financial institution including a bank, savings and loan
11 association, or credit union.

12 B. An investment by an insurance company in a depository
13 account is eligible to be applied as a credit against taxes payable
14 pursuant to Section 624 of Title 36 of the Oklahoma Statutes, in
15 accordance with rules promulgated by the State Treasurer after
16 consultation with the Insurance Commissioner.

17 C. An investment by a school district in a depository account
18 may be made instead of an investment as provided by the Security for
19 Local Public Deposits Act in Section 517.1 et seq. of Title 62 of
20 the Oklahoma Statutes, and the depository may be used by a district
21 instead of a depository bank for the purposes of the Security for
22 Local Public Deposits Act.

1 SECTION 16. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2516 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 The applicable provisions of Title 58 of the Oklahoma Statutes
5 govern a depository account.

6 SECTION 17. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2517 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Unless a term of the depository account provides otherwise,
10 a person on whose signature precious metals may be withdrawn from a
11 depository account that is jointly held in the names of two or more
12 persons may, by a signed pledge, transfer to the depository or to a
13 third party all or part of the account.

14 B. A pledge made as described by subsection A of this section
15 does not sever or terminate the joint tenants with right of
16 survivorship of the account, to the extent applicable to the account
17 before the pledge.

18 SECTION 18. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2518 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 A. The depository or a depository agent may accept a depository
22 account in the name of a fiduciary including an administrator,
23 executor, custodian, guardian, or trustee, for a named beneficiary.

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1 B. A fiduciary may open, add to, or withdraw precious metals
2 from an account described by subsection A of this section.

3 C. Except as otherwise provided by law, a payment or delivery
4 to a fiduciary or an acquaintance signed by the fiduciary to whom a
5 payment or delivery is made is a discharge of the depository for the
6 payment or delivery.

7 D. After a person who holds a depository account in a fiduciary
8 capacity dies, the depository may pay or deliver to the beneficiary
9 of the account the quantity of precious metals represented by the
10 balance in the depository account, plus other rights relating to the
11 depository account, wholly or partly, if the depository has no
12 written notice or order of the probate court of:

- 13 1. A revocation or termination of the fiduciary relationship;
14 or
15 2. Any other disposition of the beneficial estate.

16 E. The depository has no further liability for a payment made
17 or right delivered pursuant to subsection D of this section.

18 SECTION 19. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2519 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 A. If the depository opens a depository account for a person
22 claiming to be the trustee for another person and the depository has
23 no other notice of the existence or terms of the trust other than a
24 written claim against the account:

1 1. The person claiming to be the trustee, on the person's
2 signature, may withdraw precious metals from the account; and

3 2. If the person claiming to be the trustee dies, the
4 depository may pay or deliver the quantity of precious metals
5 represented by the balance in the account to the person for whom the
6 account was opened.

7 B. The depository has no further liability for a payment or
8 delivery made as provided by subsection A of this section.

9 SECTION 20. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2520 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 A. The depository shall recognize the authority of an attorney-
13 in-fact authorized in writing by a depository account holder to
14 manage or withdraw precious metals from the holder's depository
15 account until the depository receives written or actual notice of
16 the revocation of that authority.

17 B. For purposes of this section, written notice of the death or
18 adjudication of incompetency of a depository account holder shall be
19 considered written notice of revocation of the authority of the
20 account holder's attorney-in-fact.

21 SECTION 21. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2521 of Title 62, unless there
23 is created a duplication in numbering, reads as follows:

1 The depository shall enter into transactions and relationships
2 with bullion banks, depositories, dealers, central banks, sovereign
3 wealth funds, financial institutions, international nongovernmental
4 organizations, or other persons, located inside or outside of this
5 state or inside or outside of the United States, as the State
6 Treasurer determines to be prudent and suitable to facilitate the
7 operations of the depository and to further the purposes of this
8 act.

9 SECTION 22. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2522 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 The depository shall not take any of the following actions, and
13 any attempt by the depository to take any of the following actions
14 is void ab initio and of no force or effect:

- 15 1. Entering into a precious metals leasing, sale-leaseback,
16 forward transaction, swap transaction, future transaction, index
17 transaction, or option on or other derivative of any of those,
18 whether in the nature of a cap transaction, floor transaction,
19 collar transaction, repurchase transaction, reverse repurchase
20 transaction, buy-and-sell-back transaction, securities lending
21 transaction, or other financial instrument or interest intended to
22 or having the effect of hedging or leveraging the depository's
23 holdings of precious metals including any option with respect to any
24 of these transactions, or any combination of these transactions,

1 except that the limitation provided by this paragraph does not apply
2 to a transaction entered into to limit the depository's exposure to
3 post-signature price risks associated with executory agreements to
4 purchase or sell precious metals in the ordinary course of
5 depository operations and does not apply to policies of insurance
6 purchased to insure against ordinary casualty risks such as theft,
7 damage or destruction, loss during shipment, or similar risks;

8 2. Accrediting the depository account balances of a depository
9 account holder, or disposing of any precious metals, if to do so
10 would cause the aggregate depository account balances with respect
11 to any precious metal represented by all depository accounts to
12 exceed the aggregate quantities of such precious metal held by or
13 for the benefit of the depository and the depository's depository
14 agents;

15 3. Entering into or maintaining a deposit, trust, or similar
16 relationship for the custody of precious metals by a third party
17 outside this state, directly or indirectly, for the account or
18 benefit of the depository if the State Treasurer by rule establishes
19 that:

- 20 a. the custody or intermediary arrangements in question
21 do not meet the State Treasurer's standards of safety,
22 security, and liquidity, or
- 23 b. except in those cases where such relationship may be
24 incidental to the performance of or preparation for

1 purchase and sale transactions with counterparties
2 located outside of this state, suitable alternate
3 arrangements for physical custody of the precious
4 metals inside this state have been established and are
5 available;

6 4. Extending credit to a person including credit secured by a
7 depository account or other assets, except an extension of credit
8 incidental to the performance of the functions and responsibilities
9 otherwise provided by this act; or

10 5. Engaging in a business or activity that, if conducted by a
11 private person, would be subject to regulation in this state as a
12 banking or savings and loan function.

13 SECTION 23. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2523 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 A. A purported confiscation, requisition, seizure, or other
17 attempt to control the ownership, disposition, or proceeds of a
18 withdrawal, transfer, liquidation, or settlement of a depository
19 account including the precious metals represented by the balance of
20 a depository account, if effected by a governmental or quasi-
21 governmental authority other than an authority of this state or by a
22 financial institution or other person acting on behalf of or
23 pursuant to a directive or authorization issued by a governmental or
24 quasi-governmental authority other than an authority of this state,

1 in the course of a generalized declaration of illegality or
2 emergency relating to the ownership, possession, or disposition of
3 one or more precious metals, contracts, or other rights to the
4 precious metals or contracts or derivatives of the ownership,
5 possession, disposition, contracts, or other rights, is void ab
6 initio and of no force or effect.

7 B. The depository in the case of receiving notice of a
8 purported confiscation, requisition, seizure, or other attempt to
9 control the ownership, disposition, or proceeds of a withdrawal,
10 transfer, liquidation, or settlement of a depository account
11 including the precious metals represented by the balance of a
12 depository account, effected by a governmental or quasi-governmental
13 authority other than an authority of this state or by a financial
14 institution or other person acting on behalf of or pursuant to a
15 directive or authorization issued by a governmental or quasi-
16 governmental authority other than an authority of this state, in the
17 course of a generalized declaration of illegality or emergency
18 relating to the ownership, possession, or disposition of one or more
19 precious metals, contracts, or other rights to the precious metals
20 or contracts or derivatives of the ownership, possession,
21 disposition, contracts, or other rights, may not recognize the
22 governmental or quasi-governmental authority, financial institution,
23 or other person acting as the lawful successor of the registered
24 holder of a depository account in question.

1 C. On receipt of notice of any transaction described by
2 subsection A of this section, with respect to all or any portion of
3 the balance of a depository account, the depository shall suspend
4 withdrawal privileges associated with the balances of the depository
5 account until suitable substitute arrangements may be effected in
6 accordance with rules of the State Treasurer to enable the
7 registered account holder to take delivery of the precious metals
8 represented by the account balances in question. A voluntary
9 transfer of a depository account balance or of a depository account
10 among depository account holders may continue to take place
11 unaffected by the suspension, and the depository shall recognize to
12 the full extent authorized by this act and rules promulgated
13 pursuant to this act.

14 SECTION 24. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2524 of Title 62, unless there
16 is created a duplication in numbering, reads as follows:

17 The State Treasurer shall promulgate rules to establish the
18 references by which the official exchange rate for pricing precious
19 metals transactions in terms of United States dollars or other
20 currency must be established at the time of a depository
21 transaction. The State Treasurer shall establish procedures and
22 facilities through which the rates are made discoverable at all
23 reasonable times by system participants, both on a real-time basis
24 and retrospectively.

1 SECTION 25. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2525 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 The State Treasurer by rule shall establish procedures and
5 requirements for the depository and depository agents designed to
6 minimize the burden to system participants of accounting for and
7 reporting taxable gains and losses arising out of depository
8 transactions as denominated in United States dollars or another
9 currency.

10 SECTION 26. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2526 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 The State Treasurer shall submit to the Governor, the President
14 Pro Tempore of the Senate, and the Speaker of the House of
15 Representatives a report on the status, condition, operations, and
16 prospects for the depository and depository participation not later
17 than September 30 of each year.

18 SECTION 27. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2527 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 The depository shall use private, independently managed firms
22 and institutions licensed as depository agents as intermediaries to
23 conduct retail transactions in bullion and specie on behalf of the
24 depository with current and prospective depository account holders.

1 A depository agent licensed by the depository pursuant to this
2 section must have a minimum of five (5) years of depository
3 operational experience or ownership including three years of direct
4 retail transaction experience with public and private entities or
5 individuals. The State Treasurer may promulgate rules to issue a
6 depository agent license and to impose additional requirements as to
7 capitalization, net worth, liquidity, or other financial
8 prerequisites to qualify as a licensed depository agent to conduct
9 transactions or take other action on behalf of the depository.

10 SECTION 28. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2528 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 The State Treasurer shall promulgate rules to require a
14 depository agent to maintain suitable systems and processes for
15 electronic information sharing and communication with the State
16 Treasurer and the depository to ensure that all transactions
17 effected on behalf of the depository are reported to and integrated
18 into the depository's records not later than 11:59:59 p.m. Central
19 Standard Time on the date of each transaction.

20 SECTION 29. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2529 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 A depository agent shall submit monthly, quarterly, and annual
24 reports of all depository transactions not later than the fifteenth

1 day of the month following the expiration of the period with respect
2 to which such report is submitted. The report must contain
3 information and be in a form and format as required by the State
4 Treasurer.

5 SECTION 30. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2530 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

8 A. A depository agent license holder shall prepare written
9 reports and statements as follows:

10 1. An audited unconsolidated financial statement that is dated
11 as of the last day of the license holder's fiscal year that ended in
12 the immediately preceding calendar year;

13 2. A quarterly interim financial statement and report regarding
14 the permissible investments required to be maintained pursuant to
15 applicable rules that reflect the license holder's financial
16 condition and permissible investments as of the last day of the
17 calendar quarter to which the statement and report relate and that
18 are prepared not later than the forty-fifth day after the last day
19 of the calendar quarter; and

20 3. Any other report required by the State Treasurer or
21 reasonably requested by the State Treasurer to determine compliance
22 with this act.

1 SECTION 31. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2531 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Notwithstanding any other provision of this act, a money
5 service that constitutes both a depository agent service and a money
6 transmission service, or both a depository agent service and a
7 currency exchange service, for purposes of this act constitutes a
8 depository agent service only.

9 B. A depository agent service described by subsection A of this
10 section is not subject to a provision of this act applicable
11 uniquely to money transmission services or currency exchange
12 services.

13 C. A person who renders a service that constitutes a depository
14 agent service including a depository agent service described by
15 subsection A of this section and renders another service that
16 constitutes money transmission or currency exchange service only, is
17 subject to the requirements of this act applicable to each type of
18 service rendered.

19 SECTION 32. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2532 of Title 62, unless there
21 is created a duplication in numbering, reads as follows:

22 A. A person may not engage in the business of rendering
23 depository agent services or advertise, solicit, or hold the person
24

1 out as a person that engages in the business of depository agent
2 services unless the person:

3 1. Is licensed pursuant to this act and has received the
4 requisite certifications from the State Treasurer of its facilities,
5 systems, processes, and procedures as required by this act or rules
6 promulgated pursuant to this act; or

7 2. Is exempted from licensing requirements as provided by law.

8 B. Notwithstanding any other provision of this act, the
9 following persons and entities shall not be eligible for a
10 depository agent license issued pursuant to this act:

11 1. The United States or an instrumentality of the United States
12 including the United States Post Office or a contractor acting on
13 behalf of the United States Post Office;

14 2. A person that, on behalf of the United States or a
15 department, agency, or instrumentality of the United States, or a
16 state or county, city, or any other governmental agency or political
17 subdivision of a state, provides electronic funds transfer services
18 of governmental benefits for a federal, state, county, or local
19 governmental agency;

20 3. A person that acts as an intermediary on behalf of and at
21 the direction of a license holder in the process by which the
22 license holder, after receiving money or monetary value from a
23 purchaser, either directly or through an authorized delegate,
24 transmits the money or monetary value to the purchaser's designated

1 recipient, provided that the license holder is liable for satisfying
2 the obligation owed to the purchaser;

3 4. An attorney or title company that in connection with a real
4 property transaction receives and disburses domestic currency or
5 issues an escrow or trust fund check only on behalf of a party to
6 the transaction; or

7 5. A person engaged in the business of currency transportation
8 who is both a registered motor carrier and a licensed armored car
9 company or courier company, provided that the person does not engage
10 in the money transmission or currency exchange business without a
11 license issued pursuant to this act.

12 C. For purposes of this act:

13 1. A person engages in the business of depository agent
14 services if the person renders a depository agent service,
15 regardless of whether:

16 a. compensation is sought or received for the service,
17 directly or indirectly, and

18 b. the service is incidental to any other business in
19 which the person is primarily engaged; and

20 2. A person solicits, advertises, or holds the person out as a
21 person that engages in the business of depository agent services if
22 the person represents that the person will conduct depository agent
23 services.

1 D. Notwithstanding the provisions of subsection C of this
2 section, a person does not engage in the business of depository
3 agent services by engaging in a transaction for the person's own
4 depository account or for the account of another person acting as a
5 fiduciary that would constitute depository agent services if
6 conducted for another person.

7 E. A depository agent license holder may engage in depository
8 agent services at one or more locations in this state owned directly
9 or indirectly by the license holder under a single license.

10 SECTION 33. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2533 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 In addition to the general qualifications for licensure set
14 forth in Section 32 of this act, an applicant for a depository agent
15 license must demonstrate to the satisfaction of the State Treasurer
16 that:

17 1. The applicant has and will maintain the capitalization,
18 minimum net worth, and other applicable financial requirements
19 established by rules of the State Treasurer;

20 2. The applicant's financial condition will enable the
21 applicant to engage in the business of depository agent services
22 safely and soundly; and

23 3. The applicant does not engage in any activity or practice
24 that adversely affects the applicant's safety and soundness.

1 SECTION 34. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2534 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. An applicant for a depository agent license shall submit an
5 application to the State Treasurer.

6 B. At the time an application for a depository agent license is
7 submitted, an applicant must file with the State Treasurer:

8 1. An application fee established by the State Treasurer;

9 2. Audited financial statements that are satisfactory to the
10 State Treasurer for purposes of determining whether the applicant
11 has the minimum net worth required pursuant to rules and is likely
12 to maintain the required minimum net worth if a license is issued;
13 and

14 3. Security in the amount of Five Hundred Thousand Dollars
15 (\$500,000.00) that meets the requirements of rules and an
16 undertaking or agreement that the applicant will increase or
17 supplement the security to equal the aggregate security required by
18 the State Treasurer before the issuance of the license and the start
19 of operations.

20 C. The State Treasurer shall investigate the applicant, which
21 shall include conducting a background check with the Oklahoma State
22 Bureau of Investigation, and approve or deny the application.

1 SECTION 35. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 2535 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The State Treasurer may issue a temporary depository agent
5 license to a person that is engaging in depository agent services,
6 but has not obtained a license pursuant to this act, if the person:

7 1. Certifies in writing that the person qualifies for the
8 license and will submit a completed license application not later
9 than the sixtieth day after the date the temporary license is
10 issued;

11 2. Submits a recent financial statement acceptable to the State
12 Treasurer that reflects the minimum net worth required pursuant to
13 rules;

14 3. Provides security that meets the requirements specified by
15 the State Treasurer, but not less than Five Hundred Thousand Dollars
16 (\$500,000.00);

17 4. Agrees in writing that, until a permanent license is issued,
18 the person will engage only in activities being conducted at
19 existing locations; and

20 5. Pays the application fee and a nonrefundable temporary
21 license fee in the amount established by rules promulgated by the
22 State Treasurer.

23 B. The effective period for a temporary depository agent
24
25

1 license may not exceed ninety (90) days after the date the license
2 is issued. The State Treasurer may extend the effective period for
3 not more than thirty (30) days, if necessary, to complete the
4 processing of a timely filed application for which approval is
5 likely.

6 SECTION 36. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2536 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. A depository agent license holder is liable for the delivery
10 to or for the account of the depository or each depositor, as
11 applicable, of all bullion, specie, and money payable or deliverable
12 in connection with the transactions in which the license holder
13 engages on behalf of the depository.

14 B. A depository agent license holder shall hold in trust all
15 cash, bullion, specie, and other assets received in the ordinary
16 course of its business until the time the delivery obligation is
17 discharged. A trust resulting from the depository agent license
18 holder's actions is in favor of the persons to whom such delivery
19 obligations are owed.

20 C. If a depository agent license holder commingles any money or
21 other property received for delivery with money or other property
22 owned or controlled by the depository agent license holder, all
23 commingled money and other property are impressed with a trust as
24 provided by this section in an amount equal to the amount of money

1 or property received for delivery, less the amount of fees paid for
2 the delivery.

3 D. If the State Treasurer revokes a depository agent license,
4 all money and other property held in trust by the depository agent
5 license holder is assigned to the State Treasurer for the benefit of
6 the persons to whom the related delivery obligations are owed.

7 E. Money or other property of a depository agent license holder
8 impressed with a trust pursuant to this section may not be
9 considered an asset or property of the license holder in the event
10 of bankruptcy, receivership, or a claim against the license holder
11 unrelated to the license holder's obligations pursuant to this act.

12 SECTION 37. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2537 of Title 62, unless there
14 is created a duplication in numbering, reads as follows:

15 A depository agent license holder's name and mailing address or
16 telephone number must be provided to the purchaser in connection
17 with each depository agent services transaction conducted by the
18 depository agent license holder.

19 SECTION 38. This act shall become effective November 1, 2024.

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