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

Be it enacted by the Legislature of Louisiana:

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

CHAPTER 13-A. GOLD AND SILVER CURRENCY

§1061. Definitions

As used in this Chapter:

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

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

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

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

(a) A depository.

(b) A depository agent.

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

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

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

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

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

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

(b) Customarily is formed into bullion or specie.
"Specie" means a precious metal stamped into coins of uniform shape, size, design, content, and purity, suitable for or customarily used as currency, as a medium of exchange, or as the medium for purchase, sale, storage, transfer, or delivery of precious metals in retail or wholesale transactions.

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

§1062. Rules; rule promulgation by the treasurer

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

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

(2) Prevent fraud.

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

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

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

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

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

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

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

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

§1064. Bullion depository accounts; powers of trustee

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

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

§1065. Purchase and issuance

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

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

(2) Designating specie or bullion held on account in a depository for the
purpose of being represented by currency together with payment of any fee charged
pursuant to R.S. 6:1070.
B. Upon receiving payment pursuant to Paragraph (A)(1) of this Section or an account holder's designation and payment pursuant to Paragraph (A)(2) of this Section, the treasurer shall do all of the following:

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

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

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

§1066. Redemption of currency for United States dollars

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

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

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

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

§1067. Redemption of currency for specie or bullion

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

B. The treasurer shall do both of the following on receipt of a request for redemption:
(1) Withdraw the equivalent number of troy ounces of specie or bullion from the pooled depository account.

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

§1068. Value of currency

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

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

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

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

§1070. Administration costs; fees

The treasurer may establish a fee for the issuance or redemption of the currency to cover the costs of administering the provisions of this Chapter and an industry standard merchant fee for use. The treasurer shall deposit the net fee 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.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
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)