

2024 Regular Session

SENATE BILL NO. 485

BY SENATOR HODGES

STATE TREASURER. Provides relative to the duties of the state treasurer. (8/1/24)

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AN ACT

To enact R.S. 36:764(A)(9) and Part III of Chapter 5 of Title 49 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 49:351 through 359, relative to powers and duties of the state treasurer; to provide for the implementation of the Louisiana Gold and Silver Currency Platform; to establish currency-backed gold and silver as legal tender; to provide for definitions; to provide for administration; to permit redemption of currency for other legal tender; to provide for valuing currency; to provide for exemptions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 36:764(A)(9) is hereby enacted to read as follows:

§764. Powers and duties of state treasurer

A. In addition to the functions, powers, and duties otherwise vested in the state treasurer by law, he shall:

* * *

(9) Provide for the implementation and administration of the Louisiana Gold and Silver Currency Platform as provided in Part III of Chapter 5 of Title 49 of the Louisiana Revised Statutes of 1950.

1 * * *

2 Section 2. Part III of Chapter 5 of Title 49 of the Louisiana Revised Statutes of 1950,
3 comprised of R.S. 49:351 through 360, is hereby enacted to read as follows:

4 **PART III. LOUISIANA GOLD AND SILVER CURRENCY PLATFORM**

5 **§351. Definitions**

6 **As used in this Chapter:**

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

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

17 **(3) "Card service provider" means a service contracted by the treasurer**
18 **to allow the transfer of United States dollars for gold or silver for deposit into**
19 **the depository for access by depositors for use as a debit card.**

20 **(4) "Currency" means the representation of actual gold and silver and**
21 **bullion held in a depository account by a depository account holder. This**
22 **representation shall reflect the exact unit(s) of physical gold and silver bullion**
23 **in the pooled depository account in its fractional troy ounce measurement as**
24 **provided in this Part.**

25 **(5) "Deposit" means the establishment of an executory obligation of the**
26 **depository to deliver to the order of the person establishing with a depository**
27 **the obligation, on demand, a quantity of a specified precious metal, in bullion,**
28 **equal to the quantity of the same precious metal delivered by or on behalf of the**
29 **depositor into the custody of either of the following:**

- 1 (a) A depository.
- 2 (b) A depository agent.
- 3 (6) "Depositor" means a person who makes a deposit.
- 4 (7) "Depository account" means the rights, interests, and entitlements
5 established in favor of a depositor with respect to a deposit pursuant to this Part
6 and rules adopted in accordance with this Part.
- 7 (8) "Depository account holder" means the original depositor or a
8 successor or assignee of the depositor into the depository account.
- 9 (9) "Louisiana Gold and Silver Currency Platform" means a platform
10 used to transfer United States dollars for the purchase of gold and silver. The
11 platform shall be administered by a trustee and all net fees collected shall be
12 credited to an account in the state general fund.
- 13 (10) "Pooled depository account" means the account in a depository that
14 holds in trust all bullion owned and allocated or purchased for purposes on
15 behalf of the currency holders or depositors.
- 16 (11) "Precious metal" means gold and silver that has both of the
17 following attributes:
- 18 (a) Bears a high value-to-weight ratio relative to common industrial
19 metals.
- 20 (b) Customarily is formed into bullion.
- 21 (12) "Specie" means a precious metal stamped into coins of uniform
22 shape, size, design, content, and purity, suitable for or customarily used as
23 currency, as a medium of exchange, or as the medium for purchase, sale,
24 storage, transfer, or delivery or precious metals in retail or wholesale
25 transactions.
- 26 (13) "Treasurer" means the state treasurer whose executive office and
27 powers are prescribed in R.S. 36:761, et seq.
- 28 §352. Rules; rule promulgation by the treasurer
- 29 The treasurer may adopt rules in accordance with the Administrative

1 Procedure Act as necessary or convenient to implement this Chapter, including
2 rules to accomplish all of the following:

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

5 (2) Prevent fraud.

6 (3) Prohibit deposits by foreign governments or enemies of this state.

7 §353. Establishment and administration of bullion as currency

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

10 B. The treasurer may choose to contract with a bullion depository of any
11 state in the United States or a private vendor who is authorized to do business
12 in Louisiana and has an office in this state to establish the currency or perform
13 other duties pursuant to this Part. This contract may additionally provide for
14 the initial start-up expense of this Part.

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

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

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

27 §354. Bullion depository accounts; powers of trustee

28 A. The treasurer, serving as trustee, or his designee appointed to serve
29 as trustee, shall hold in trust on behalf of a depository account holder, all

1 bullion owned or purchased for deposit. The trustee shall maintain enough
2 bullion to provide for the redemption of all units of the currency issued but not
3 redeemed.

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

8 §355. Purchase and issuance

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

11 (1) Making payment to the treasurer for the purpose of a purchase of
12 bullion to be represented by currency together with any fee charged.

13 (2) Designating bullion held on account in a depository for the purpose
14 of being represented by currency together with payment of any fee charged.

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

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

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

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

27 §356. Redemption of currency for United States dollars

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

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

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

5 **(2) Provide to the person an amount of United States dollars equal to the**
6 **amount received from the sale of bullion pursuant to Paragraph (1) of this**
7 **Subsection, less a fee charged.**

8 **§357. Redemption of currency for bullion**

9 **A. Subject to R.S. 49:353, an account holder who holds the currency may**
10 **present to the treasurer any number of units of the currency to redeem for an**
11 **equal number of troy ounces of bullion from the pooled depository account.**

12 **B. The treasurer shall do both of the following on receipt of a request for**
13 **redemption:**

14 **(1) Withdraw the equivalent number of troy ounces of bullion from the**
15 **pooled depository account.**

16 **(2) Deliver the bullion as requested to the requestor on the payment of**
17 **a fee charged.**

18 **§358. Value of currency**

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

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

25 **§359. Money and deposits held in trust; exemption from appropriation**

26 **Money received pursuant to R.S. 49:355 or bullion purchased and**
27 **deposited in the pooled depository account as provided by R.S. 49:355(B)(2),**
28 **and money received from the sale of bullion in the pooled depository account**
29 **in response to a request for redemption pursuant to R.S. 49:366 is held by the**

1 **treasurer as trustee outside the state treasury on behalf of the persons who hold**
2 **the currency and is not available for legislative appropriation.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Matt DeVille.

	DIGEST	
SB 485 Original	2024 Regular Session	Hodges

Proposed law defines "bullion", "bullion depository", "card service provider", "currency", "deposit", "depositor", "depository account", "depository account holder", "Louisiana gold and silver currency platform", "pooled depository account", "precious metal", "specie", and "treasurer".

Proposed law provides that the treasurer may adopt rules in accordance with the APA as necessary or convenient to implement proposed law.

Proposed law provides that the treasurer may issue and establish gold and silver as currency and choose to contract with a bullion depository of another state or private vendor with the state.

Proposed law provides for the requirements of the treasurer regarding the establishment of bullion as currency.

Proposed law provides that currency or bullion 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 provides for the powers of the treasurer or an appointed person as trustee.

Proposed law provides for the requirements of issuance and purchase of currency and bullion from the Dept. of Treasury by a person or state.

Proposed law provides for the circumstances under which a person may redeem gold or silver currency for U.S. dollars.

Proposed law provides for the circumstances under which a person may redeem currency for bullion.

Proposed law provides the criteria for valuing currency.

Proposed law provides that money received pursuant to proposed law, bullion purchased and deposited in the pooled depository account, and money received from the sale of bullion is not subject to legislative appropriation under certain circumstances.

Effective August 1, 2024.

(Adds R.S. 36:764(A)(9) and R.S. 49:351-359)