

# **A Bill to be Entitled an Act Relating to the Establishment of a Digital Currency Backed by Precious Metals**

1 BE IT ENACTED BY THE CONGRESS HERE ASSEMBLED THAT:

2 **SECTION 1.** DEFINITION. In this act “Digital Currency” means the digital precious metals currency  
3 established under this act. “Blockchain” means a shared, immutable ledger that  
4 facilitates the process of recording transactions and tracking assets in a network. “Mining”  
5 means a peer-to-peer computer process that verifies and adds new transactions to the  
6 blockchain for a cryptocurrency that uses the proof-of-work. “Proof-of-Work” means a  
7 form of cryptographic proof in which one party (the prover) proves to others (the verifiers)  
8 that a certain amount of a specific computational effort has been expended.

9 SUBCHAPTER A: RULES; CONTRACTING.

10 (a) The Office of Financial Regulation (OFR) may adopt rules as necessary or  
11 convenient to implement this chapter, including rules to:

- 12 (1) ensure the security of the digital currency; and
- 13 (2) set minimum fees associated with issuance and management; and
- 14 (3) maintain transparency in the issuance and redemption of the digital  
15 currency

16 (b) The OFR has all authority necessary to enter into contracts to administer  
17 this chapter and fulfill the purposes of this chapter.

18 SUBCHAPTER B: ESTABLISHMENT AND ADMINISTRATION OF DIGITAL PRECIOUS  
19 METAL CURRENCY

20 ESTABLISHMENT. (a) The OFR shall establish a digital currency that is backed  
21 by precious metals so that each unit of digital currency issued represents a particular  
22 fraction of a troy ton of precious metal held in trust as provided by this chapter.

23 (b) The OFR shall use a public Blockchain to establish the digital currency and  
24 may contract with a private vendor to perform the duties under this chapter.

25 (c) The public Blockchain shall be one that has no pre-mine, no-pre-sales, of  
26 the Proof of Work type of technology and have a public ledger that is verifiable by the  
27 public.

28 (d) If a suitable Blockchain cannot be located, the OFR may contract with a  
29 private vendor to create a new Blockchain. The new Blockchain shall conform to all the  
30 prerequisites and be able to be maintained and verified by the public thru Mining.

1 (e) In establishing the digital currency the OFR shall establish a means to  
2 ensure that any one of the people who hold any digital currency may readily transfer or  
3 assign the digital currency to any other one of the people by electronic means.

4 SUBCHAPTER C: PRECIOUS METAL HELD IN TRUST.

5 (a) The OFR serving as trustee or another person appointed by the OFR who  
6 shall serve as trustee shall hold in trust on the behalf of the digital currency holders all  
7 precious metals purchased to back the digital currency. The trustee shall maintain  
8 enough precious metals to provide for the redemption in precious metals of all units of  
9 the digital currency that have been issued and are not yet redeemed for money or  
10 precious metals.

11 (b) The trustee may establish an account in the Florida Bullion Depository to  
12 hold precious metals purchased to back the digital currency and may hold the gold  
13 otherwise as convenient for the administration of this chapter.

14 SUBCHAPTER D: PURCHASE AND ISSUANCE.

15 (a) A person may purchase from this state through the comptroller  
16 any number of units of the digital currency.

17 (a) On receiving payment for a purchase of the digital currency together with  
18 any fee charged under Subchapter A, the OFR shall:

- 19 (1) using the money received from the purchaser, buy a fractional number  
20 of troy ounces of gold equal to the number of units of the digital  
21 currency issued to the purchaser under Subdivision; and  
22 (2) issue to the purchaser a number of units of the digital currency equal to  
23 the amount of gold that the OFR purchases with the money received  
24 from the purchaser.

25 SUBCHAPTER E: REDEMPTION OF CURRENCY FOR MONEY.

26 (a) A person who holds the digital currency may present to the  
27 OFR, or a person with whom the OFR has contracted, or a person serving as trustee for  
28 purposes of this chapter any number of units of the digital currency to redeem for money.

29 (b) On receipt of a person's request for redemption, the OFR, contractor, or  
30 trustee shall:

1                   (1) sell from the gold held in the pooled depository account a fractional  
2 number of troy ounces equal to the number of units of the digital currency being  
3 redeemed; and

4                   (2) provide to the person an amount of money equal to the amount  
5 received from the sale of gold under Subdivision (1), less any fee charged under  
6 Subchapter A.

7                   SUBCHAPTER E: REDEMPTION OF CURRENCY FOR GOLD.

8                   (a) A person who holds the digital currency may present to the  
9 comptroller, or a person with whom the comptroller has contracted, or a person serving  
10 as trustee for purposes of this chapter any number of units of the digital currency to  
11 redeem for an equal fractional number of troy ounces of gold from the pooled depository  
12 account

13                  (b) On receipt of a request for redemption, the comptroller shall:

14                   (1) withdraw the requested number of troy ounces of gold from the gold  
15                       held in trust; and

16                   (2) on the payment of a fee charged under Subchapter A, deliver the gold  
17                       to the requestor.

18                  (c) The comptroller, or a person with whom the comptroller has contracted,  
19 or a person serving as trustee for purposes of this chapter, may manage redemption of  
20 the digital currency for gold by the use of bars or coins of standard sizes and may pay  
21 fractional remainders in cash as is necessary to facilitate the transaction.

22                  SUBCHAPTER F: VALUE OF DIGITAL CURRENCY.

23                  (a) At the time of each transaction involving the issuance or redemption of  
24 the digital currency, the comptroller, or a person with whom the comptroller has  
25 contracted, or a person serving as trustee for purposes of this chapter shall determine the  
26 value of a unit of the digital currency. On receipt of a request for redemption, the  
27 comptroller shall:

28                   (a) the value of a unit of the digital currency at the time of a transaction must  
29 be equal to the value of the appropriate fraction of a troy ton of gold at the time of that  
30 transaction.

1                   SUBCHAPTER G: CERTAIN MONEY AND DEPOSITS HELD IN TRUST  
2   AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION.  
3   Money received from the purchase of the digital currency under Subchapter D,  
4                   (a) precious metal purchased and held under this chapter, and money  
5   received from the sale of precious metal in response to a request for redemption under  
6   Subchapter E is:  
7                   (1) held in trust by the comptroller as trustee or a person appointed by the  
8   comptroller to serve as trustee for purposes of this chapter outside the state treasury on  
9   the behalf of persons who hold the digital currency; and  
10                  (2) not available for legislative appropriation.

11                 SUBCHAPTER H: FEE  
12   The OFR may establish a fee for the issuance or redemption of the digital currency at any  
13   rate necessary to cover the costs of administering this chapter. The OFR shall deposit the  
14   fee proceeds to the credit of an account established in the general revenue fund that may  
15   be used to pay the costs.

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