



# State of Tennessee

## PUBLIC CHAPTER NO. 69

HOUSE BILL NO. 1479

By Representatives Hulsey, Fritts, Crawford, Doggett, Todd, Reedy, Lynn

Substituted for: Senate Bill No. 519

By Senators Niceley, Lowe

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 4, Part 8, relative to the purchase of gold and precious metals on behalf of the state.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, Part 8, is amended by adding the following language as a new section:

(a) As used in this section:

(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; and

(2) "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.

(b) Subject to appropriation, the state treasurer may purchase and sell gold or precious metal bullion or specie that will be directly owned by the state, and in the custody of the state treasurer.

(c) The state treasurer may make and enter into contracts, trust instruments, agreements, and other instruments with a person to effectuate this section, including, but not limited to, financial institutions, accountants, auditors, attorneys, consultants, and other contractors.

(d) The physical gold and precious metal purchased under this section must be custodied by the state treasurer in a state depository as defined in § 9-4-107, and maintained in a vault within the state depository's banking facilities in accordance with accepted industry standards for secure storage, and within the geographical boundaries of this state.

(e) The state treasurer shall ensure that the gold or precious metal bullion or specie is securely maintained and transported; adequately insured; independently audited; and physically segregated from the other assets custodied at the state depository.

(f) The expenses for the administration and implementation of the purchase, sale, transportation, maintenance, valuation, security, insurance, and custody of the gold or precious metal bullion or specie must be paid from state funds appropriated in the general appropriations act.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

