

HOUSE BILL 1479

By Hulsey

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.