

Amendment No. 1 to SB0311

Briggs
Signature of Sponsor

AMEND Senate Bill No. 311*

House Bill No. 1481

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 2, is amended by adding the following as a new part:

45-2-2201. Short title.

This part is known and may be cited as the "Tennessee Bullion Depository Act."

45-2-2202. Part definitions.

As used in this part:

(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;

(2) "Depository" means a depository institution as defined in § 45-1-103;

(3) "Precious metal" means a metal, including gold, silver, platinum, palladium, and rhodium, that:

(A) Bears a high value-to-weight ratio relative to common industrial metals; and

(B) Is customarily formed into bullion or specie; and

(4) "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.

45-2-2203. Tennessee bullion depository established.

A depository may:

- (1) Operate exclusively or nonexclusively as a precious metals depository and may be held and operated privately;
- (2) Serve as the custodian, guardian, and administrator of certain bullion and specie that may be deposited with the depository by this state, a political subdivision, or another instrumentality of this state, or by a private individual, party, or other entity; and
- (3) Engage in other transactions and investments as authorized by rules adopted pursuant to § 45-2-2205 and consistent with federal law.

45-2-2204. Annual report.

(a) Following the close of each state fiscal year, each depository serving as a depository for precious metals shall report to the commissioner of financial institutions an annual report of its activities for the preceding year. The annual reports and all books of accounts and financial records of the depository are subject to annual audit by the comptroller of the treasury. The cost of the annual audit must be paid for by the depository.

(b) Not later than January 31 of 2024, and each year thereafter, the commissioner of financial institutions shall aggregate the information acquired under subsection (a) and:

- (1) Submit a report to the governor, the speaker of the senate, the speaker of the house of representatives, and the legislative librarian; and
- (2) Make the report available to the general assembly.

45-2-2205. Rules.

The commissioner of financial institutions shall promulgate rules to effectuate this part. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) Notwithstanding a law to the contrary, gold and silver coinage must be accepted as legal tender, at their spot price, and must be receivable in payment of all debts, public or private, hereafter contracted in this state. Costs incurred in the course of verification of the weight and purity of any gold or silver coinage during any such transaction must be borne by the receiving entity.

(b) No person or entity is required to use gold or silver coinage in the payment of any debt.

(c) This section does not prohibit the use of federal reserve notes in the payment of any debt.

(d) Except as otherwise provided in title 40, chapter 33, gold and silver are not subject to seizure.

(e) A person or entity may produce and sell gold or silver coins in this state, if:

(1) Each coin is labeled in a clear and intelligible manner with the weight and purity of the coin; and

(2) The seller otherwise complies with title 38, chapter 1, part 2.

SECTION 3. Tennessee Code Annotated, Section 67-1-703, is amended by adding the following as a new subsection:

(g) Notwithstanding this section or a law to the contrary, the commissioner shall accept gold and silver coinage in payment of all taxes or other amounts collected by the department subject to Section 2 of this act.

SECTION 4. Tennessee Code Annotated, Section 67-1-704(a), is amended by adding the following as a new subdivision:

() Gold and silver coinage subject to Section 2 of this act. The state shall purchase all gold and silver coinage received by the trustee pursuant to this subdivision (a)() at a price equivalent to the spot price at the time the trustee received the gold or silver coinage plus any costs incurred by the trustee in the course of verification of the weight and purity of any gold or silver coinage.

SECTION 5. Tennessee Code Annotated, Section 9-4-211, is amended by adding the following as a new subsection:

(e) Notwithstanding a law to the contrary, any gold and silver coinage received by this state under § 67-1-703(g) or Section 4 of this act must be stored in a depository institution and the value of the gold and silver coinage must be attributed to the balance of the reserve for revenue fluctuations. The gold and silver coinage must not be liquidated until all other funds in the reserve for revenue fluctuations have been expended.

SECTION 6. Tennessee Code Annotated, Title 9, Chapter 1, is amended by adding the following as a new section:

The state treasurer, in consultation with the commissioner of financial institutions and to the extent permitted under Article II, § 31 of the Constitution of Tennessee, shall establish a state reserve banking system to support state-chartered banks that are established and regulated in accordance with title 45.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.