

HOUSE BILL 2381

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 23, relative to the power of the commissioner of transportation to enter into contracts for the purpose of stabilizing expenses related to the cost of fuel and other materials.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 23, is amended by adding the following language as a new, appropriately designated section:

4-3-2312. Stabilization of expenses related to fuel and other materials.

Notwithstanding any other law to the contrary, the commissioner of transportation may, with the approval of the state funding board established under § 9-9-101, et seq., enter into a negotiated contract or contracts with a bank, investment bank or other similar financial institution for the purpose of stabilizing the net expense of the department of transportation for the purchase of gasoline, diesel, or other fuels, or the net expense of price adjustments made for fuel, bituminous materials, or other materials in the department's construction contracts. The contracts entered into under this section may include, without limitation, futures contracts, hedging, swap transactions, option contracts, and costless collars. The authority granted under this section is in addition to, and supplemental to, any existing authority granted under any other law.

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