



HOUSE BILL 721: State Precious Metals Depository Study.

2023-2024 General Assembly

Committee:		Date:	June 28, 2023
Introduced by:	Reps. Brody, Warren, Loftis, N. Jackson	Prepared by:	Kyle Evans
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *House Bill 721 would require the Department of State Treasurer to study the costs and benefits of establishing a North Carolina Bullion Depository and would appropriate \$50,000 to the Treasurer for that purpose.*

BILL ANALYSIS:

Section 1 would require the Department of State Treasurer to conduct a study that examines all the following:

- The process of acquiring, securely storing, insuring, and liquidating any investment metal bullion, such as gold, and virtual currency, such as Bitcoin, that may be held on behalf of the State.
- The expected impact of allocating a portion of the General Fund to investment metal bullion and virtual currency to hedge against inflation and systemic credit risks, reduce overall portfolio volatility, and increase portfolio returns over time.
- The costs, benefits, and security of utilizing a privately managed depository or another state's depository or creating a State-administered depository in North Carolina to serve as the custodian, guardian, and administrator of certain investment metal bullion and virtual currency that may be transferred to or otherwise acquired by this State or an agency, a political subdivision, or another instrumentality of this State and to provide a repository for investors to use for such assets.

The Department of State Treasurer would report on the results of the study and provide recommendations to the Joint Legislative Commission on Governmental Operations by January 1, 2024.

Section 2 would appropriate \$50,000 from the General Fund to the State Treasurer to conduct the study required pursuant to Section 1. This would be a nonrecurring sum appropriated for the 2023–2024 fiscal year.

EFFECTIVE DATE: Section 2 of the bill would become effective July 1, 2023. The remainder of the bill would be effective when it became law.

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