

# *State of Tennessee*

## **PUBLIC CHAPTER NO. 874**

### **SENATE BILL NO. 2118**

**By Bell, Gardenhire, Stevens**

Substituted for: House Bill No. 2129

By Marsh, Freeman, Beck, Williams, Travis, Tim Hicks, Vital, Howell

AN ACT to amend Tennessee Code Annotated, Title 9 and Title 70, relative to proceeds from sales of lifetime licenses.

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

SECTION 1. Tennessee Code Annotated, Section 70-1-501, is amended by deleting the section and substituting instead the following:

The general assembly recognizes and reaffirms the importance of fostering appreciation among the citizens of this state for protecting and preserving for future generations the heritage of hunting and fishing in this state. Therefore, to aid in promoting access to, and participation in, licensed hunting and fishing in this state, there is created a fund known as the "lifetime sportsman endowment fund". The lifetime sportsman endowment fund must be administered and funded in accordance with this part.

SECTION 2. Tennessee Code Annotated, Section 70-1-502, is amended by deleting the section and substituting instead the following:

(a) The lifetime sportsman endowment fund is an irrevocable trust for the exclusive benefit of lifetime sportsman license holders, as prescribed in a trust instrument approved by the trustees, to be administered by the state treasurer. The attorney general and reporter shall approve the terms of the trust instrument.

(b)(1) The trustees of the trust are:

(A) The commissioner of finance and administration or the commissioner's designee;

(B) The state treasurer or the treasurer's designee; and

(C) The executive director of the wildlife resources agency or the executive director's designee.

(2) The state treasurer, or the treasurer's designee, shall serve as the chair of the trustees and shall preside over all meetings and proceedings of the trustees.

(c) In addition to the powers granted by this part, the trustees have the powers necessary or convenient to carry out this part and the purposes and objectives of the trust, including, but not limited to, the following express powers:

(1) To invest any funds of the trust in any instrument, obligation, security, or property that constitutes legal investments, as provided in the investment policy adopted pursuant to § 70-1-504(a);

(2) To contract for the provision of all or any part of the services necessary for the management and operation of the trust;

(3) To contract with financial consultants, auditors, and other consultants as necessary to carry out its responsibilities under this part; and

(4) To prepare financial reports, including financial statements, following the close of each fiscal year relative to the activities of the trust. The statements and reports must be prepared in accordance with the accounting standards of the governmental accounting standards board.

SECTION 3. Tennessee Code Annotated, Section 70-1-503, is amended by deleting the section and substituting instead the following:

The trust must be initially funded by a deposit of all of the assets held in the wildlife management endowment fund previously created in accordance with § 70-1-501 as such section existed prior to the effective date of this act. In addition to this initial funding, the lifetime sportsman endowment fund trust must consist of the following assets deposited to or accrued in the fund:

- (1) The proceeds from the sale of lifetime sportsman licenses;
- (2) The proceeds from cash donations or donations of property converted or to be converted to cash;
- (3) Such other sources as may be deemed appropriate, including sources that may be specified by law; and
- (4) Income derived from fund investments.

SECTION 4. Tennessee Code Annotated, Section 70-1-504, is amended by deleting the section and substituting instead the following:

(a) The trustees shall adopt, in writing, an investment policy or policies authorizing how assets in the trust may be invested. The trust may invest in any security or investment in which the Tennessee consolidated retirement system is permitted to invest; provided, that investments by the trust must be governed by the investment policies and guidelines adopted by the trustees in accordance with this part. The trustees shall delegate to the state treasurer the responsibility for the investment and reinvestment of trust funds in accordance with the policies and guidelines established by the trustees.

(b)(1) The corpus of the trust shall not be expended for any purpose. For purposes of this part, the corpus of the trust means those assets described in § 70-1-503(1)-(3) and the initial deposit of assets held in the wildlife management endowment fund previously created in accordance with § 70-1-501 as such section existed prior to the effective date of this act, less income existing at the time of the initial deposit.

(2) The income received and accruing from the investments of the trust must be spent only for the exclusive benefit of lifetime sportsman license holders, as prescribed in the trust instrument, and to pay the reasonable expenses incurred in administering and investing the trust assets. Income from the trust means all earnings from the trust's investment portfolios from whatever source derived, including, but not limited to, interest, dividends, realized capital gains or losses, and any income previously applied to the corpus of the trust.

(c) Notwithstanding any law to the contrary, all assets, income, and distributions of the trust must be protected against the claims of creditors of the state, plan administrators, and plan participants, and are not subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws or other process whatsoever, and any assignment thereof is not enforceable in any court.

(d) The funds transferred to the trust may be commingled with, co-invested with, and invested or reinvested with other assets transferred to the trust. All or a portion of the trust may be invested, reinvested, and co-invested with other funds, not a part of the trust, held by the state treasurer, including, but not limited to, assets of the Tennessee consolidated retirement system and the state pooled investment fund established pursuant to title 9, chapter 4, part 6. The state treasurer shall account for such trust funds in one (1) or more separate accounts in accordance with this section and other law.

(e) The trust has the powers, privileges, and immunities of a corporation, and all of its business must be transacted, all of its funds invested, and all of its cash and securities and other property held in trust for the purpose for which received.

SECTION 5. Tennessee Code Annotated, Section 70-1-505, is amended by deleting the section and substituting instead the following:

The trustees shall prepare annual financial reports following the close of each fiscal year relative to the activities of the trust fund. The annual reports, books, accounts, and financial records of the trust fund are subject to audit by the comptroller of the treasury.

SECTION 6. Tennessee Code Annotated, Section 70-1-506, is deleted.

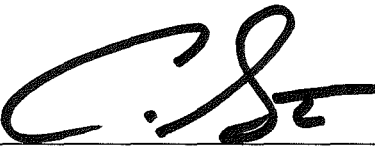
SECTION 7. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 8. This act takes effect upon becoming a law, the public welfare requiring it.


SENATE BILL NO. 2118

PASSED: April 4, 2022

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 14<sup>th</sup> day of April 2022

  
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BILL LEE, GOVERNOR