

HOUSE BILL NO. 6214

November 26, 2024, Introduced by Rep. Farhat and referred to the Committee on Government Operations.

A bill to establish and provide for the issuance of gold and silver specie and digital currency based on gold and silver; to create the office of the Michigan bullion depository in the department of treasury and prescribe its powers and duties; to provide for the powers and duties of certain state and local governmental officers and entities; to impose certain fees; to authorize the issuance of bonds, notes, and other evidences of indebtedness; to provide remedies; and to require the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1

GENERAL PROVISIONS

1 Sec. 1. This act may be cited as the "Michcoin act".

2 Sec. 3. As used in this act:

3 (a) "Administrator" means the bullion depository administrator
4 appointed under section 33.

5 (b) "Bullion" means precious metals that are formed into
6 uniform shapes and quantities such as ingots, bars, or plates, with
7 uniform content and purity, as are suitable for or customarily used
8 in the purchase, sale, storage, transfer, and delivery of bulk or
9 wholesale transactions in precious metals.

10 (c) "Business day" means a day other than a Saturday, Sunday,
11 or banking holiday for a bank chartered under the laws of this
12 state.

13 (d) "Department" means the department of treasury.

14 (e) "Deposit" means the establishment of an executory
15 obligation of the depository to deliver to the order of the person
16 establishing with the depository the obligation, on demand, a
17 quantity of a specified precious metal, in bullion, specie, or a
18 combination of bullion and specie, equal to the quantity of the
19 same precious metal delivered by or on behalf of the depositor into
20 the custody of either of the following:

21 (i) The depository.

22 (ii) A depository agent.

23 (f) "Depositor" means a person who makes a deposit.

24 (g) "Depository account" means the rights, interests, and
25 entitlements established in favor of a depositor with respect to a
26 deposit in accordance with this article and rules promulgated under
27 this act.
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1 (h) "Depository account holder", regarding a depository
2 account, means the original depositor or a successor or assignee of
3 the original depositor respecting the depository account.

4 (i) "Depository agent" means a financial institution that has
5 entered into an agreement with the depository to provide a retail
6 location for the provision of depository services to the general
7 public on behalf of the depository.

8 (j) "Depository revenues" means revenue the depository
9 realizes from fees, charges, or other payments received in the
10 course of depository operations. Depository revenues do not include
11 the fee proceeds described in section 27.

12 (k) "Depository security officer" means an individual employed
13 under section 113.

14 (l) "Digital currency" or "Michcoin" means the digital
15 representation of gold and silver specie and bullion held in the
16 pooled depository account.

17 (m) "Feasibility study" means the feasibility study described
18 in section 11.

19 (n) "Financial institution" means a state or nationally
20 chartered bank or state or federally chartered savings and loan
21 association, savings bank, or credit union whose deposits are
22 insured by an agency of the United States government under the laws
23 of this state or the United States.

24 Sec. 5. As used in this act:

25 (a) "Michigan bullion depository" or "depository" means the
26 office of the Michigan bullion depository created in section 31.

27 (b) "Michigan bullion depository fund" means the Michigan
28 bullion depository fund created in section 41.

29 (c) "Person" means an individual or a partnership,

1 corporation, limited liability company, association, governmental
2 entity, or other legal entity.

3 (d) "Pooled depository account" means the account in the
4 Michigan bullion depository established under section 15.

5 (e) "Precious metal" means a metal that bears a high value-to-
6 weight ratio relative to common industrial metals and customarily
7 is formed into bullion or specie. Precious metal includes gold,
8 silver, platinum, palladium, and rhodium.

9 (f) "Specie" means a precious metal stamped into coins of
10 uniform shape, size, design, content, and purity, suitable for or
11 customarily used as currency, as a medium of exchange, or as the
12 medium for purchase, sale, storage, transfer, or delivery of
13 precious metals in retail or wholesale transactions.

14 Sec. 7. (1) The department shall promulgate any rules required
15 under this act and may promulgate any other rules necessary to
16 implement this act.

17 (2) All rules promulgated by the department under this act
18 must be promulgated pursuant to the administrative procedures act
19 of 1969, 1969 PA 306, MCL 24.201 to 24.328.

20 ARTICLE 2

21 GOLD AND SILVER CURRENCY

22 Sec. 11. (1) The state treasurer shall conduct a feasibility
23 study to determine whether it is practicable for this state, either
24 directly or through contracts with 1 or more private vendors, to
25 establish and issue gold and silver specie and a digital currency
26 based on gold and silver, as described in section 13. In connection
27 with the feasibility study, bids may be solicited from private
28 vendors to perform the services described in section 13(2).

29 (2) The feasibility study must be completed not later than 1

1 year after the effective date of this act.

2 (3) On completion, the state treasurer shall submit a copy of
3 the feasibility study to the governor, the senate and house fiscal
4 agencies, the senate majority leader, the senate minority leader,
5 the speaker of the house of representatives, the minority leader of
6 the house of representatives, and each member of the senate and
7 house of representatives appropriations committees.

8 Sec. 13. (1) If the state treasurer determines it is
9 practicable under section 11, as authorized by Section 10 of
10 Article 1 of the Constitution of the United States, the state
11 treasurer shall do both of the following:

12 (a) Establish and provide for the issuance of gold and silver
13 specie.

14 (b) Establish and issue a digital currency based on gold and
15 silver that represents a particular fraction of a troy ounce of
16 gold or silver, as applicable, held in trust as provided by this
17 article.

18 (2) The state treasurer may contract with 1 or more private
19 vendors to establish the digital currency under subsection (1)(b),
20 establish a digital wallet to enable use of the digital currency as
21 described in subsection (4), or perform other duties under this
22 article.

23 (3) In establishing gold and silver specie under subsection
24 (1)(a), the state treasurer shall do both of the following:

25 (a) Authorize the Michigan bullion depository as this state's
26 exclusive issuer.

27 (b) Ensure that the holder of the specie may do both of the
28 following:

29 (i) Use the specie as legal tender in payment of debt.

1 (ii) Readily transfer the specie to another person.

2 (4) In establishing the digital currency under subsection
3 (1) (b), the state treasurer shall provide a means to ensure that a
4 person who holds the digital currency can do both of the following:

5 (a) Use the digital currency as legal tender in payment of
6 debt.

7 (b) By electronic means readily transfer or assign the digital
8 currency to another person.

9 Sec. 15. (1) The state treasurer, serving as trustee, or
10 another person the state treasurer appoints to serve as trustee,
11 shall hold in trust on behalf of the digital currency holders all
12 gold and silver specie and bullion owned or purchased for the
13 purposes of issuing the digital currency. The trustee shall
14 maintain enough gold and silver specie or bullion to provide for
15 the redemption of all units of the digital currency issued but not
16 redeemed.

17 (2) The trustee shall establish a pooled depository account in
18 the Michigan bullion depository to hold in trust as trustee on
19 behalf of the digital currency holders all gold and silver specie
20 and bullion owned and allocated or purchased for purposes of
21 issuing the digital currency.

22 Sec. 17. (1) The state treasurer may issue to a person the
23 appropriate number of units and fractional units of the digital
24 currency when the person, together with paying any fee charged
25 under section 27, does either of the following:

26 (a) Makes the appropriate payment to the state treasurer for
27 the state treasurer to purchase gold or silver specie or bullion
28 for the pooled depository account to be represented by the digital
29 currency.

1 (b) Designates gold or silver specie or bullion held in a
2 depository account with the Michigan bullion depository to be
3 transferred to the pooled depository account for the purpose of
4 being represented by the digital currency.

5 (2) On receiving payment under subsection (1)(a), the state
6 treasurer shall do all of the following:

7 (a) Using the money received, purchase gold or silver specie
8 or bullion in the number of fractional troy ounces equal to the
9 number of units or fractional units of the digital currency to be
10 issued to the person under subsection (1).

11 (b) Deposit for the person the gold or silver specie or
12 bullion purchased under subdivision (a) into the pooled depository
13 account.

14 (c) Issue to the person a digital currency account with the
15 Michigan bullion depository, or, if applicable, add to an existing
16 digital currency account held by the person with the depository,
17 the number of units or fractional units of the digital currency
18 equal to the amount of specie or bullion that the money received
19 from the person would buy on the date the payment is received.

20 (3) On receiving a person's designation under subsection
21 (1)(b), the state treasurer shall do all of the following:

22 (a) Withdraw from the person's depository account with the
23 Michigan bullion depository the amount of gold or silver specie or
24 bullion designated and deposit the specie or bullion for the person
25 to the pooled depository account.

26 (b) Issue to the person a digital currency account with the
27 Michigan bullion depository, or, if applicable, add to an existing
28 digital currency account held by the person with the depository,
29 the number of units or fractional units of the digital currency

1 equal to the amount of gold or silver specie or bullion that the
2 pooled depository account received from the person on that date.

3 Sec. 19. (1) A person that holds digital currency may present
4 to the state treasurer any number of units or fractional units of
5 the digital currency to redeem for United States dollars.

6 (2) On receipt of a person's request for redemption under
7 subsection (1), the state treasurer shall do both of the following:

8 (a) Sell from the gold or silver specie or bullion held in the
9 pooled depository account a number of fractional troy ounces equal
10 to the number of units or fractional units of the digital currency
11 being redeemed.

12 (b) Provide to the person an amount of United States dollars
13 equal to the amount received from the sale of the gold and silver
14 specie or bullion under subdivision (a), less the amount of any fee
15 charged under section 27.

16 Sec. 21. (1) A person that holds digital currency may present
17 to the state treasurer any number of units or fractional units of
18 the digital currency to redeem for an equal fractional number of
19 troy ounces of gold or silver specie or bullion from the pooled
20 depository account.

21 (2) On receipt of a person's request for redemption under
22 subsection (1), the state treasurer shall do both of the following:

23 (a) Withdraw the equivalent fractional number of troy ounces
24 of gold or silver specie or bullion from the pooled depository
25 account.

26 (b) On the payment of the fee charged under section 27,
27 deliver the gold or silver specie or bullion to the person as
28 requested.

29 Sec. 23. (1) At the time of each transaction involving the

1 issuance or redemption of the digital currency, the state treasurer
2 shall determine the value of a unit of the digital currency.

3 (2) The value of a unit of the digital currency at the time of
4 a transaction must be equal to the value of the appropriate
5 fraction of a troy ounce of gold or silver, respectively, at the
6 time of the transaction as published by the Michigan bullion
7 depository.

8 Sec. 25. Money received under section 17(1), gold or silver
9 specie or bullion purchased or deposited in the pooled depository
10 account under section 17(2) or (3), and money received from the
11 sale of gold or silver specie or bullion in the pooled depository
12 account in response to a request for redemption under section 19
13 are both of the following:

14 (a) Held by the state treasurer as trustee outside the state
15 treasury on behalf of persons that hold the digital currency.

16 (b) Not available for legislative appropriation.

17 Sec. 27. The state treasurer may establish a fee for the
18 issuance or redemption of the digital currency to cover the state
19 treasurer's costs in administering this article and an industry
20 standard merchant fee for use. The state treasurer shall deposit
21 fee proceeds received under this section as follows:

22 (a) 30% of the proceeds must be deposited in the general fund.

23 (b) The remainder of the proceeds must be deposited in the
24 Michigan bullion depository fund.

25 Sec. 29. The digital currency issued under this article shall
26 be known as "Michcoin".

27 ARTICLE 3

28 MICHIGAN BULLION DEPOSITORY

29 PART 1

1 ESTABLISHMENT AND ADMINISTRATION OF THE MICHIGAN BULLION DEPOSITORY

2 Sec. 31. (1) If the state treasurer determines it is
3 practicable under section 11 for this state to establish and issue
4 gold and silver specie and a digital currency based on gold and
5 silver, as described in section 13, the office of the Michigan
6 bullion depository is created in the department. The depository
7 shall serve as the custodian, guardian, and administrator of
8 certain bullion and specie that are transferred to or otherwise
9 acquired by this state.

10 (2) If the state treasurer determines it is not practicable
11 under section 11 for this state to establish and issue gold and
12 silver specie and a digital currency based on gold and silver, as
13 described in section 13, this article does not apply.

14 Sec. 33. (1) On creation of the depository under section 31,
15 the state treasurer shall appoint a bullion depository
16 administrator to oversee the depository. The bullion depository
17 administrator shall do both of the following:

18 (a) Administer, supervise, and direct the operations and
19 affairs of the depository and depository agents.

20 (b) Liaise with the state treasurer and the department to
21 ensure that each transaction with the depository that involves
22 state money, that involves an agency, a political subdivision, or
23 another instrumentality of this state, or that involves a private
24 person is planned, administered, and executed in a manner to
25 achieve the purposes of this act.

26 (2) The administrator may appoint or employ, subject to the
27 approval of the state treasurer, a deputy administrator or other
28 subordinate officers or employees as necessary and appropriate to
29 the efficient administration of the depository.

1 Sec. 35. The depository may do all of the following:

2 (a) Enter into transactions and relationships with bullion
3 banks, depositories, dealers, central banks, sovereign wealth
4 funds, financial institutions, international nongovernmental
5 organizations, and other persons, located inside or outside of this
6 state or inside or outside of the United States, as the state
7 treasurer determines to be prudent and suitable to facilitate the
8 operations of the depository and to further the purposes of this
9 act.

10 (b) Advertise and promote the depository in any available
11 media.

12 (c) Issue, sell, license for sale, or obtain a license to sell
13 promotional items approved by the administrator to further the
14 purposes of this act and to promote the depository. The depository
15 may set commercially reasonable prices for items licensed or sold
16 under this subdivision.

17 (d) By purchase, lease, donation, or other means, acquire real
18 property necessary for 1 or more buildings to operate the
19 depository on terms and conditions and in a manner the depository
20 considers proper.

21 (e) Take any other action authorized by this act or considered
22 necessary by the depository to achieve the purposes of this act.

23 Sec. 37. The depository may not take any of the following
24 actions, and any attempt by the depository to take any of the
25 following actions is void and of no force or effect:

26 (a) Entering into a precious metals leasing, sale-leaseback,
27 forward transaction, swap transaction, future transaction, index
28 transaction, or option on or other derivative of any of those,
29 whether in the nature of a cap transaction, floor transaction,

1 collar transaction, repurchase transaction, reverse repurchase
2 transaction, buy-and-sell-back transaction, securities lending
3 transaction, or other financial instrument or interest intended to
4 or having the effect of hedging or leveraging the depository's
5 holdings of precious metals, including any option with respect to
6 any of these transactions, or any combination of these
7 transactions, except that the limitation provided by this
8 subdivision does not apply to a transaction entered into to limit
9 the depository's exposure to postsignature price risks associated
10 with executory agreements to purchase or sell precious metals in
11 the ordinary course of depository operations and does not apply to
12 policies of insurance purchased to insure against ordinary casualty
13 risks such as theft, damage or destruction, loss during shipment,
14 or similar risks.

15 (b) Crediting the depository account balances of a depository
16 account holder, or disposing of any precious metal, if to do so
17 would cause the aggregate depository account balances with respect
18 to any precious metal represented by all depository accounts to
19 exceed the aggregate quantities of such precious metal held by or
20 for the benefit of the depository and the depository's depository
21 agents.

22 (c) Entering into or maintaining a deposit, trust, or similar
23 relationship for the custody of precious metals by a third party
24 outside this state, directly or indirectly, for the account or
25 benefit of the depository if either of the following applies:

26 (i) The custody or intermediary arrangements do not meet the
27 department's standards of safety, security, and liquidity
28 established by rule.

29 (ii) Suitable alternate arrangements for physical custody of

1 the precious metals inside this state have been established by rule
2 and are available. This subparagraph does not restrict
3 relationships that are incidental to the performance of or
4 preparation for purchase and sale transactions with counterparties
5 located outside of this state.

6 (d) Extending credit to a person, including credit secured by
7 a depository account or other assets, except an extension of credit
8 incidental to the performance of the functions and responsibilities
9 otherwise provided in this act.

10 (e) Engaging in a business or activity that, if conducted by a
11 private person, would be subject to regulation in this state as a
12 banking or savings and loan function.

13 Sec. 39. (1) None of the following are available for
14 legislative appropriation:

15 (a) A deposit to the depository.

16 (b) Bullion or specie held by or on behalf of the depository
17 or a depository agent.

18 (c) Bullion or specie in transit to or from the depository or
19 a depository agent.

20 (d) A receivable or other amount owed to the depository in
21 settlement of a transaction in bullion or specie.

22 (2) Bullion, specie, and other assets described by subsection
23 (1) are subject to redemption, liquidation, or transfer exclusively
24 to discharge an obligation of the depository to depository account
25 holders, depository agents, bullion banks, financial institutions,
26 or other intermediaries in accordance with this act and rules
27 adopted under this act.

28 (3) Depository revenues must be deposited in the Michigan
29 bullion depository fund.

1 Sec. 41. (1) The Michigan bullion depository fund is created
2 in the state treasury.

3 (2) The state treasurer shall deposit money and other assets
4 received under section 27(b) or 39(3) or from any other source in
5 the Michigan bullion depository fund. The state treasurer shall
6 direct the investment of money in the Michigan bullion depository
7 fund and credit interest and earnings from the investments to the
8 Michigan bullion depository fund.

9 (3) Money in the Michigan bullion depository fund at the close
10 of the fiscal year remains in the Michigan bullion depository fund
11 and does not lapse to the general fund.

12 (4) The department is the administrator of the fund for audits
13 of the fund.

14 (5) The department shall expend money from the Michigan
15 bullion depository fund on appropriation, only for 1 or more of the
16 following purposes:

17 (a) The administration of this act.

18 (b) The operation of the depository.

19 (c) The establishment and issuance of gold and silver specie
20 and a digital currency based on gold and silver under article 2.

21 (d) To pay private vendors and depository agents.

22 (e) To employ or establish a law enforcement agency to employ
23 depository security officers under part 6.

24 (f) To otherwise carry out the purposes of this act.

25 Sec. 43. The department, in consultation with the depository,
26 shall promulgate rules that do both of the following:

27 (a) Ensure compliance with applicable federal and state law.

28 (b) Protect the interests of all of the following:

29 (i) The depository.

1 (ii) Depository account holders.

2 (iii) This state and the agencies, political subdivisions, and
3 instrumentalities of this state.

4 (iv) The public at large.

5 PART 2

6 DEPOSITORY ACCOUNTS

7 Sec. 51. The depository may receive a deposit of bullion or
8 specie from or on behalf of a person acting in the person's own
9 right, as trustee, or in another fiduciary capacity, in accordance
10 with this act and rules promulgated by the department under this
11 act.

12 Sec. 53. (1) A person may invest the person's money in a
13 depository account by purchasing precious metals and depositing the
14 precious metals with the depository or a depository agent.

15 (2) To establish a depository account, a depositor must
16 contract with the depository for a depository account. The contract
17 must specify both of the following:

18 (a) The terms applicable to the account, including any special
19 terms.

20 (b) The conditions on which withdrawals or deliveries with
21 respect to the account may be made.

22 (3) The execution of a contract for a depository account
23 described by this section may be made, as prescribed by rules
24 adopted under this act, by electronic or digital transmission.

25 (4) The depository shall hold the contract for a depository
26 account in the records pertaining to the account.

27 (5) A contract for a depository account executed by a
28 depositor and the depository is considered a contract in writing
29 for all purposes, and may be evidenced by 1 or more agreements,

1 deposit receipts, signature cards, amendment notices, or other
2 documentation as provided by law.

3 (6) The depository and the depository account holder may amend
4 a contract for a depository account by agreement, or the depository
5 may amend the deposit contract by providing written notice of the
6 amendment to the account holder, separately or as an enclosure with
7 or part of the account holder's statement of account or passbook.
8 The depository may provide the written notice electronically. The
9 written notice of the amendment from the depository must include
10 the text and effective date of the amendment. The effective date
11 may not be earlier than the thirtieth day after the date the notice
12 is sent, unless otherwise provided by rules promulgated under this
13 act.

14 Sec. 55. (1) The depository shall record the amount of
15 precious metals a person deposits, regardless of form, in units of
16 troy ounces pure, and the records must also specify the type and
17 quantity of each precious metal deposited.

18 (2) The state treasurer shall adopt standards by which the
19 quantities of precious metals deposited are credited to a
20 depositor's depository account by reference to the particular form
21 in which the precious metals were deposited, classified by mint,
22 denomination, weight, assay mark, or other indicator, as
23 applicable. The standards must conform to applicable national and
24 international standards of weights and measures.

25 (3) The state treasurer may, if the state treasurer determines
26 it necessary, restrict the form in which deposits of precious
27 metals may be made.

28 (4) The depository shall adjust each depository account
29 balance to reflect additions to or withdrawals or deliveries from

1 the account.

2 Sec. 57. (1) The depository shall deliver any precious metal
3 held by or on behalf of the depository in bullion, specie, or a
4 combination of bullion and specie, on the order of a depository
5 account holder, in a quantity of that precious metal as is
6 available in the depository account holder's depository account.

7 (2) The depository shall make a delivery described by
8 subsection (1) on demand by the presentment of a written demand or
9 digital electronic instruction to the depository or a depository
10 agent. The state treasurer shall prescribe the forms, standards,
11 and processes through which an order for delivery on demand may be
12 made, presented, and honored.

13 (3) The depository shall make a delivery at the depository's
14 settlement facility designated by the state treasurer, shipping to
15 an address specified by the account holder, or, at the depository's
16 discretion, at a facility of a depository agent at which
17 presentment is made, not later than 10 business days after the date
18 of presentment.

19 Sec. 59. (1) In accordance with rules promulgated under this
20 act, a depository account holder may transfer any portion of the
21 balance of the holder's depository account by written demand or
22 digital electronic instruction to another person.

23 (2) The depository shall adjust the depository account
24 balances of the depository accounts to reflect a transfer
25 transaction between depository account holders on presentment of
26 the written demand or other instruction by reducing the payor's
27 depository account balance and increasing the depository account
28 balance of the payee accordingly.

29 (3) If a depository account holder transfers to a payee who is

1 not a depository account holder any portion of the balance of the
2 depository account holder's depository account, the depository
3 shall, if the payee is otherwise eligible to open a depository
4 account under applicable laws and depository policy, allow the
5 payee to establish a depository account. The depository shall
6 credit a newly established account on behalf of the payee and shall
7 debit the payor's account accordingly.

8 Sec. 61. The state treasurer may establish fees, service
9 charges, and penalties to be charged a depository account holder
10 for a service or activity regarding a depository account, including
11 a fee for an overdraft, an insufficient fund check or draft, or a
12 stop payment order. The state treasurer may waive any fees, service
13 charges, or penalties established under this section.

14 Sec. 63. The depository shall not pay any of the following on
15 a depository account:

16 (a) Interest.

17 (b) An amount in the nature of interest.

18 (c) A fee or other payment for the use or forbearance of use
19 of money, bullion, specie, or precious metals deposited to a
20 depository account.

21 Sec. 65. Unless the depository acknowledges in writing a
22 pledge of a depository account, the depository may treat the holder
23 of record of the account as the owner of the account for all
24 purposes and without regard to a notice to the contrary.

25 Sec. 67. (1) A depository account may be transferred on the
26 books of the depository only on presentation to the depository of
27 both of the following:

28 (a) Evidence of transfer satisfactory to the depository.

29 (b) An application for the transfer submitted by the person to

1 whom the depository account is to be transferred.

2 (2) A person to whom a depository account is to be transferred
3 must accept the transferred account subject to the terms of the
4 deposit contract, this act, and rules promulgated under this act.

5 Sec. 69. (1) Without the need of any further agreement or
6 pledge, the depository has a lien on each depository account owned
7 by a depository account holder to secure any fees, charges, or
8 other obligations owed or that may become owed to the depository in
9 connection with any of the depository account holder's depository
10 accounts as provided by the terms of the depository account
11 holder's applicable depository account contract.

12 (2) On default in the payment or in the satisfaction of a
13 depository account holder's obligation, the depository, without
14 notice to or consent of the depository account holder, may transfer
15 on the depository's books all or part of the balance of a
16 depository account holder's depository account to the extent
17 necessary to pay or satisfy the obligation, as determined by
18 reference to the exchange rates applicable at the time of the
19 transfer.

20 (3) The depository by written instrument may waive wholly or
21 partly the depository's lien on a depository account.

22 (4) Subject to a lien created as provided by this section, the
23 depository shall recognize the lawful pledge to a third party by a
24 depository account holder of the depository account holder's
25 rights, interests, and entitlements in and to a depository account
26 as an intangible asset. On the satisfaction of other requirements
27 of law in respect of the perfection and enforcement of a pledge of
28 that type, the depository shall take all steps reasonably necessary
29 and appropriate to effectuate on the depository's books any

1 transfer of a depository account or of all or part of a depository
2 account balance to the account of the secured party on the
3 successful enforcement of the pledge.

4 Sec. 71. (1) Unless a term of the depository account provides
5 otherwise, a person on whose signature precious metals may be
6 withdrawn from a depository account that is jointly held in the
7 names of 2 or more persons may, by a signed pledge, pledge and
8 transfer to the depository or to a third party all or part of the
9 account.

10 (2) A pledge made as described in subsection (1) does not
11 sever or terminate the joint and survivorship ownership of the
12 account, to the extent applicable to the account before the pledge.

13 Sec. 73. (1) The depository or a depository agent may accept a
14 depository account in the name of a fiduciary, including an
15 administrator, executor, custodian, guardian, or trustee, for a
16 named beneficiary.

17 (2) A fiduciary may open, add to, or withdraw precious metals
18 from an account described in subsection (1).

19 (3) Except as otherwise provided by law, a payment or delivery
20 to a fiduciary or an acquittance signed by the fiduciary to whom a
21 payment or delivery is made is a discharge of the depository for
22 the payment or delivery.

23 (4) After an individual who holds a depository account in a
24 fiduciary capacity dies, the depository may pay or deliver to the
25 beneficiary of the account the quantity of precious metals
26 represented by the balance in the depository account, plus other
27 rights relating to the depository account, wholly or partly, if the
28 depository does not receive written notice or order of the probate
29 court of either of the following:

1 (a) A revocation or termination of the fiduciary relationship.

2 (b) Any other disposition of the beneficial estate.

3 (5) The depository does not have any further liability for a
4 payment made or right delivered under subsection (4).

5 Sec. 75. (1) If the depository opens a depository account for
6 a person claiming to be the trustee for another person and the
7 depository does not have any other notice of the existence or terms
8 of the trust other than a written claim against the account, both
9 of the following apply:

10 (a) The person claiming to be the trustee, on the person's
11 signature, may withdraw precious metals from the account.

12 (b) If the person claiming to be the trustee dies, the
13 depository may pay or deliver the quantity of precious metals
14 represented by the balance in the account to the person for whom
15 the account was opened.

16 (2) The depository has no further liability for a payment or
17 delivery made as provided in subsection (1).

18 Sec. 77. (1) The depository shall recognize the authority of
19 an attorney-in-fact authorized in writing by a depository account
20 holder to manage or withdraw precious metals from the depository
21 account holder's depository account until the depository receives
22 written or actual notice of the revocation of that authority.

23 (2) For purposes of this section, written notice of the death
24 or adjudication of incompetency of a depository account holder is
25 considered to be written notice of revocation of the authority of
26 the account holder's attorney-in-fact.

27 Sec. 79. The state treasurer shall establish the references by
28 which the official exchange rate for pricing precious metals
29 transactions in terms of United States dollars or other currency

1 must be established at the time of a depository transaction. The
2 state treasurer shall establish procedures and facilities through
3 which the rates are made discoverable at all reasonable times by
4 system participants, both on a real-time basis and retrospectively.

5 PART 3

6 CIVIL ACTIONS AND OTHER MATTERS

7 Sec. 81. (1) A cause of action for denial of deposit liability
8 on a depository account contract without a maturity date does not
9 accrue until the depository has denied liability and given notice
10 of the denial to the depository account holder.

11 (2) The depository's act of furnishing an account statement or
12 passbook, whether in physical, digital, or electronic form,
13 constitutes a denial of liability and the giving of such notice as
14 to any amount not shown on the statement or passbook.

15 (3) The depository's sovereign immunity from suit is waived
16 for an action brought by a depositor for the denial of deposit
17 liability.

18 (4) The depository's liability for a denial of deposit
19 liability is limited to the amount on deposit for which liability
20 was denied. A depositor may not recover consequential damages,
21 exemplary damages, pre- or post-judgment interest, costs, or
22 attorney fees.

23 (5) A suit authorized by this section must be brought in the
24 court of claims.

25 (6) A suit authorized by this section must be brought before
26 the expiration of 1 year after the date the cause of action accrues
27 or the suit is barred.

28 Sec. 83. (1) A purported confiscation, requisition, seizure,
29 or other attempt to control the ownership, disposition, or proceeds

1 of a withdrawal, transfer, liquidation, or settlement of a
2 depository account, including the precious metals represented by
3 the balance of a depository account, if effected by a governmental
4 or quasi-governmental authority other than an authority of this
5 state or by a financial institution or other person acting on
6 behalf of or pursuant to a directive or authorization issued by a
7 governmental or quasi-governmental authority other than an
8 authority of this state, in the course of a generalized declaration
9 of illegality or emergency relating to the ownership, possession,
10 or disposition of 1 or more precious metals, contracts, or other
11 rights to the precious metals or contracts or derivatives of the
12 ownership, possession, disposition, contracts, or other rights, is
13 void and of no force or effect.

14 (2) If the depository receives notice of a transaction
15 described by subsection (1), with respect to all or any portion of
16 the balance of a depository account, all of the following
17 requirements apply:

18 (a) The depository shall not recognize the governmental or
19 quasi-governmental authority, financial institution, or other
20 person acting as the lawful successor of the registered holder of
21 the depository account in question.

22 (b) The depository shall suspend withdrawal privileges
23 associated with the balances of the depository account until the
24 matter is resolved.

25 (c) The depository shall refer the matter to the attorney
26 general for resolution. The attorney general may take any action
27 necessary to resolve the matter, including, but not limited to,
28 bringing an action to obtain a declaratory judgment regarding the
29 matter.

1 (d) The depository shall comply with the resolution determined
2 by the attorney general under subdivision (c).

3 PART 4

4 DEPOSITORY AGENTS

5 Sec. 91. The depository may use private, independently managed
6 financial institutions to provide retail locations for the
7 provision of depository services to the public on behalf of the
8 depository.

9 Sec. 93. The department shall promulgate rules that require a
10 depository agent to maintain suitable systems and processes for
11 electronic information sharing and communication with the
12 department and the depository to ensure that all transactions
13 effected on behalf of the depository are reported to and integrated
14 into the depository's records not later than 11:59:59 p.m. on the
15 date of each transaction.

16 Sec. 95. A depository agent shall submit monthly, quarterly,
17 and annual reports of all depository transactions not later than
18 the fifteenth day of the month following the expiration of the
19 period with respect to which such report is submitted. The report
20 must contain information and be in a form and format as prescribed
21 by the department.

22 PART 5

23 RECORDS AND REPORTING

24 Sec. 101. The state treasurer shall establish procedures and
25 requirements for the depository and depository agents designed to
26 minimize the burden to system participants of accounting for and
27 reporting taxable gains and losses arising out of depository
28 transactions as denominated in United States dollars or another
29 currency.

1 Sec. 103. (1) All of the following records are confidential
2 and exempt from disclosure under the freedom of information act,
3 1976 PA 442, MCL 15.231 to 15.246:

4 (a) Records relating to individual depository accounts or
5 depository account holders, including current, former, or
6 prospective depository account holders, that are in the custody of
7 the depository or a vendor performing services related to the
8 depository.

9 (b) Records and other information related to the security of
10 the depository.

11 (c) Records related to the method of setting the depository's
12 fees, service charges, penalties, and other charges or payments.

13 (d) Commercial or financial information that would cause
14 substantial competitive harm to the depository, including
15 operational or other information that would give advantage to
16 competitors or bidders.

17 (2) Notwithstanding subsection (1), depository account
18 information may be disclosed as follows:

19 (a) To a depository account holder regarding the depository
20 account holder's account.

21 (b) To a state or federal agency as required by applicable
22 law.

23 (c) To a vendor providing services to the depository.

24 (d) In response to a subpoena issued under applicable law.

25 (e) If compiled as collective information that does not
26 include any identifying information about a person.

27 (f) As otherwise permitted by the depository account agreement
28 applicable to a depository account holder's account.

29 Sec. 105. The state treasurer shall submit to the governor,

1 the senate and house fiscal agencies, the senate majority leader,
 2 the senate minority leader, the speaker of the house of
 3 representatives, the minority leader of the house of
 4 representatives, and each member of the senate and house of
 5 representatives appropriations committees a report on the status,
 6 condition, operations, and prospects for the depository and
 7 depository participation each year not later than September 30.

8 PART 6

9 DEPOSITORY SECURITY OFFICERS

10 Sec. 111. As used in this part:

11 (a) "Commission" means the Michigan commission on law
 12 enforcement standards created under section 3 of the Michigan
 13 commission on law enforcement standards act, MCL 28.603.

14 (b) "Law enforcement officer" means that term as defined in
 15 section 2 of the Michigan commission on law enforcement standards
 16 act, MCL 28.602.

17 (c) "Michigan commission on law enforcement standards act"
 18 means the Michigan commission on law enforcement standards act,
 19 1965 PA 203, MCL 28.601 to 28.615.

20 Sec. 113. (1) Subject to the approval of the state treasurer
 21 and subsection (2), the depository may partner with a law
 22 enforcement agency to employ law enforcement officers as depository
 23 security officers to provide security services and perform other
 24 law enforcement activities for the depository.

25 (2) To qualify for employment as a depository security
 26 officer, an individual must meet all of the following criteria:

27 (a) Comply with all of the licensure requirements under the
 28 Michigan commission on law enforcement standards act.

29 (b) Be licensed by the commission under the Michigan

1 commission on law enforcement standards act.

2 (c) Successfully complete training required by the commission
3 under the Michigan commission on law enforcement standards act.

4 Sec. 115. In performing law enforcement activities under this
5 act, a depository security officer is vested with the powers,
6 privileges, prerogatives, and immunities conferred on law
7 enforcement officers under the laws of this state.

8 Sec. 117. A depository security officer may do all of the
9 following:

10 (a) Perform security services for the depository.

11 (b) Exercise the authority and all the powers of a law
12 enforcement officer with respect to offenses related to the
13 depository or its operations or property.

14 (c) Enforce the policies and procedures of the depository.