

# HOUSE BILL NO. 4086

February 13, 2025, Introduced by Reps. Farhat, Robinson and Posthumus and referred to Committee on Communications and Technology.

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

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

Sec. 3. As used in this act:

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

(b) "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.

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

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

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

(i) The depository.

(ii) A depository agent.

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

(g) "Depository account" means the rights, interests, and entitlements established in favor of a depositor with respect to a deposit in accordance with this article and rules promulgated under this act.

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

22 Sec. 5. As used in this act:

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

25 (b) "Michigan bullion depository fund" means the Michigan  
26 bullion depository fund created in section 41.

27 (c) "Person" means an individual or a partnership,  
28 corporation, limited liability company, association, governmental  
29 entity, or other legal entity.

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

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

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

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

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

## 18 ARTICLE 2

### 19 GOLD AND SILVER CURRENCY

20 Sec. 13. (1) As authorized by Section 10 of Article 1 of the  
21 Constitution of the United States, the state treasurer shall do  
22 both of the following:

23 (a) Establish and provide for the issuance of gold and silver  
24 specie.

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

29 (2) The state treasurer may contract with 1 or more private

1 vendors to establish the digital currency under subsection (1) (b),  
2 establish a digital wallet to enable use of the digital currency as  
3 described in subsection (4), or perform other duties under this  
4 article.

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

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

9 (b) Ensure that the holder of the specie may do both of the  
10 following:

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

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

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

16 (a) Use the digital currency as legal tender in payment of  
17 debt.

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

20 Sec. 15. (1) The state treasurer, serving as trustee, or  
21 another person the state treasurer appoints to serve as trustee,  
22 shall hold in trust on behalf of the digital currency holders all  
23 gold and silver specie and bullion owned or purchased for the  
24 purposes of issuing the digital currency. The trustee shall  
25 maintain enough gold and silver specie or bullion to provide for  
26 the redemption of all units of the digital currency issued but not  
27 redeemed.

28 (2) The trustee shall establish a pooled depository account in  
29 the Michigan bullion depository to hold in trust as trustee on

1 behalf of the digital currency holders all gold and silver specie  
2 and bullion owned and allocated or purchased for purposes of  
3 issuing the digital currency.

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

8       (a) Makes the appropriate payment to the state treasurer for  
9 the state treasurer to purchase gold or silver specie or bullion  
10 for the pooled depository account to be represented by the digital  
11 currency.

12       (b) Designates gold or silver specie or bullion held in a  
13 depository account with the Michigan bullion depository to be  
14 transferred to the pooled depository account for the purpose of  
15 being represented by the digital currency.

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

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

22       (b) Deposit for the person the gold or silver specie or  
23 bullion purchased under subdivision (a) into the pooled depository  
24 account.

25       (c) Issue to the person a digital currency account with the  
26 Michigan bullion depository, or, if applicable, add to an existing  
27 digital currency account held by the person with the depository,  
28 the number of units or fractional units of the digital currency  
29 equal to the amount of specie or bullion that the money received

1 from the person would buy on the date the payment is received.

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

4 (a) Withdraw from the person's depository account with the  
5 Michigan bullion depository the amount of gold or silver specie or  
6 bullion designated and deposit the specie or bullion for the person  
7 to the pooled depository account.

8 (b) Issue to the person a digital currency account with the  
9 Michigan bullion depository, or, if applicable, add to an existing  
10 digital currency account held by the person with the depository,  
11 the number of units or fractional units of the digital currency  
12 equal to the amount of gold or silver specie or bullion that the  
13 pooled depository account received from the person on that date.

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

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

19 (a) Sell from the gold or silver specie or bullion held in the  
20 pooled depository account a number of fractional troy ounces equal  
21 to the number of units or fractional units of the digital currency  
22 being redeemed.

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

27 Sec. 21. (1) A person that holds digital currency may present  
28 to the state treasurer any number of units or fractional units of  
29 the digital currency to redeem for an equal fractional number of

1 troy ounces of gold or silver specie or bullion from the pooled  
2 depository account.

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

5 (a) Withdraw the equivalent fractional number of troy ounces  
6 of gold or silver specie or bullion from the pooled depository  
7 account.

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

11 Sec. 23. (1) At the time of each transaction involving the  
12 issuance or redemption of the digital currency, the state treasurer  
13 shall determine the value of a unit of the digital currency.

14 (2) The value of a unit of the digital currency at the time of  
15 a transaction must be equal to the value of the appropriate  
16 fraction of a troy ounce of gold or silver, respectively, at the  
17 time of the transaction as published by the Michigan bullion  
18 depository.

19 Sec. 25. Money received under section 17(1), gold or silver  
20 specie or bullion purchased or deposited in the pooled depository  
21 account under section 17(2) or (3), and money received from the  
22 sale of gold or silver specie or bullion in the pooled depository  
23 account in response to a request for redemption under section 19  
24 are both of the following:

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

27 (b) Not available for legislative appropriation.

28 Sec. 27. The state treasurer may establish a fee for the  
29 issuance or redemption of the digital currency to cover the state



1 treasurer's costs in administering this article and an industry  
2 standard merchant fee for use. The state treasurer shall deposit  
3 fee proceeds received under this section as follows:

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

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

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

9 ARTICLE 3

10 MICHIGAN BULLION DEPOSITORY

11 PART 1

12 ESTABLISHMENT AND ADMINISTRATION OF THE MICHIGAN BULLION DEPOSITORY

13 Sec. 31. For this state to establish and issue gold and silver  
14 specie and a digital currency based on gold and silver, as  
15 described in section 13, the office of the Michigan bullion  
16 depository is created in the department. The depository shall serve  
17 as the custodian, guardian, and administrator of certain bullion  
18 and specie that are transferred to or otherwise acquired by this  
19 state.

20 Sec. 33. (1) On creation of the depository under section 31,  
21 the state treasurer shall appoint a bullion depository  
22 administrator to oversee the depository. The bullion depository  
23 administrator shall do both of the following:

24 (a) Administer, supervise, and direct the operations and  
25 affairs of the depository and depository agents.

26 (b) Liaise with the state treasurer and the department to  
27 ensure that each transaction with the depository that involves  
28 state money, that involves an agency, a political subdivision, or  
29 another instrumentality of this state, or that involves a private

1 person is planned, administered, and executed in a manner to  
2 achieve the purposes of this act.

3 (2) The administrator may appoint or employ, subject to the  
4 approval of the state treasurer, a deputy administrator or other  
5 subordinate officers or employees as necessary and appropriate to  
6 the efficient administration of the depository.

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

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

16 (b) Advertise and promote the depository in any available  
17 media.

18 (c) Issue, sell, license for sale, or obtain a license to sell  
19 promotional items approved by the administrator to further the  
20 purposes of this act and to promote the depository. The depository  
21 may set commercially reasonable prices for items licensed or sold  
22 under this subdivision.

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

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

29 Sec. 37. The depository may not take any of the following

1 actions, and any attempt by the depository to take any of the  
2 following actions is void and of no force or effect:

3 (a) Entering into a precious metals leasing, sale-leaseback,  
4 forward transaction, swap transaction, future transaction, index  
5 transaction, or option on or other derivative of any of those,  
6 whether in the nature of a cap transaction, floor transaction,  
7 collar transaction, repurchase transaction, reverse repurchase  
8 transaction, buy-and-sell-back transaction, securities lending  
9 transaction, or other financial instrument or interest intended to  
10 or having the effect of hedging or leveraging the depository's  
11 holdings of precious metals, including any option with respect to  
12 any of these transactions, or any combination of these  
13 transactions, except that the limitation provided by this  
14 subdivision does not apply to a transaction entered into to limit  
15 the depository's exposure to postsignature price risks associated  
16 with executory agreements to purchase or sell precious metals in  
17 the ordinary course of depository operations and does not apply to  
18 policies of insurance purchased to insure against ordinary casualty  
19 risks such as theft, damage or destruction, loss during shipment,  
20 or similar risks.

21 (b) Crediting the depository account balances of a depository  
22 account holder, or disposing of any precious metal, if to do so  
23 would cause the aggregate depository account balances with respect  
24 to any precious metal represented by all depository accounts to  
25 exceed the aggregate quantities of such precious metal held by or  
26 for the benefit of the depository and the depository's depository  
27 agents.

28 (c) Entering into or maintaining a deposit, trust, or similar  
29 relationship for the custody of precious metals by a third party

1 outside this state, directly or indirectly, for the account or  
2 benefit of the depository if either of the following applies:

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

6 (ii) Suitable alternate arrangements for physical custody of  
7 the precious metals inside this state have been established by rule  
8 and are available. This subparagraph does not restrict  
9 relationships that are incidental to the performance of or  
10 preparation for purchase and sale transactions with counterparties  
11 located outside of this state.

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

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

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

21 (a) A deposit to the depository.

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

24 (c) Bullion or specie in transit to or from the depository or  
25 a depository agent.

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

28 (2) Bullion, specie, and other assets described by subsection  
29 (1) are subject to redemption, liquidation, or transfer exclusively

1 to discharge an obligation of the depository to depository account  
2 holders, depository agents, bullion banks, financial institutions,  
3 or other intermediaries in accordance with this act and rules  
4 adopted under this act.

5 (3) Depository revenues must be deposited in the Michigan  
6 bullion depository fund.

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

9 (2) The state treasurer shall deposit money and other assets  
10 received under section 27(b) or 39(3) or from any other source in  
11 the Michigan bullion depository fund. The state treasurer shall  
12 direct the investment of money in the Michigan bullion depository  
13 fund and credit interest and earnings from the investments to the  
14 Michigan bullion depository fund.

15 (3) Money in the Michigan bullion depository fund at the close  
16 of the fiscal year remains in the Michigan bullion depository fund  
17 and does not lapse to the general fund.

18 (4) The department is the administrator of the fund for audits  
19 of the fund.

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

23 (a) The administration of this act.

24 (b) The operation of the depository.

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

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

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

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

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

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

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

6 (i) The depository.

7 (ii) Depository account holders.

8 (iii) This state and the agencies, political subdivisions, and  
9 instrumentalities of this state.

10 (iv) The public at large.

11 PART 2

12 DEPOSITORY ACCOUNTS

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

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

21 (2) To establish a depository account, a depositor must  
22 contract with the depository for a depository account. The contract  
23 must specify both of the following:

24 (a) The terms applicable to the account, including any special  
25 terms.

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

28 (3) The execution of a contract for a depository account  
29 described by this section may be made, as prescribed by rules

1 adopted under this act, by electronic or digital transmission.

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

4 (5) A contract for a depository account executed by a  
5 depositor and the depository is considered a contract in writing  
6 for all purposes, and may be evidenced by 1 or more agreements,  
7 deposit receipts, signature cards, amendment notices, or other  
8 documentation as provided by law.

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

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

24 (2) The state treasurer shall adopt standards by which the  
25 quantities of precious metals deposited are credited to a  
26 depositor's depository account by reference to the particular form  
27 in which the precious metals were deposited, classified by mint,  
28 denomination, weight, assay mark, or other indicator, as  
29 applicable. The standards must conform to applicable national and

1 international standards of weights and measures.

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

5 (4) The depository shall adjust each depository account  
6 balance to reflect additions to or withdrawals or deliveries from  
7 the account.

8 Sec. 57. (1) The depository shall deliver any precious metal  
9 held by or on behalf of the depository in bullion, specie, or a  
10 combination of bullion and specie, on the order of a depository  
11 account holder, in a quantity of that precious metal as is  
12 available in the depository account holder's depository account.

13 (2) The depository shall make a delivery described by  
14 subsection (1) on demand by the presentment of a written demand or  
15 digital electronic instruction to the depository or a depository  
16 agent. The state treasurer shall prescribe the forms, standards,  
17 and processes through which an order for delivery on demand may be  
18 made, presented, and honored.

19 (3) The depository shall make a delivery at the depository's  
20 settlement facility designated by the state treasurer, shipping to  
21 an address specified by the account holder, or, at the depository's  
22 discretion, at a facility of a depository agent at which  
23 presentment is made, not later than 10 business days after the date  
24 of presentment.

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

29 (2) The depository shall adjust the depository account



1 balances of the depository accounts to reflect a transfer  
2 transaction between depository account holders on presentment of  
3 the written demand or other instruction by reducing the payor's  
4 depository account balance and increasing the depository account  
5 balance of the payee accordingly.

6 (3) If a depository account holder transfers to a payee who is  
7 not a depository account holder any portion of the balance of the  
8 depository account holder's depository account, the depository  
9 shall, if the payee is otherwise eligible to open a depository  
10 account under applicable laws and depository policy, allow the  
11 payee to establish a depository account. The depository shall  
12 credit a newly established account on behalf of the payee and shall  
13 debit the payor's account accordingly.

14 Sec. 61. The state treasurer may establish fees, service  
15 charges, and penalties to be charged a depository account holder  
16 for a service or activity regarding a depository account, including  
17 a fee for an overdraft, an insufficient fund check or draft, or a  
18 stop payment order. The state treasurer may waive any fees, service  
19 charges, or penalties established under this section.

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

22 (a) Interest.

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

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

27 Sec. 65. Unless the depository acknowledges in writing a  
28 pledge of a depository account, the depository may treat the holder  
29 of record of the account as the owner of the account for all

1 purposes and without regard to a notice to the contrary.

2       Sec. 67. (1) A depository account may be transferred on the  
3 books of the depository only on presentation to the depository of  
4 both of the following:

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

6       (b) An application for the transfer submitted by the person to  
7 whom the depository account is to be transferred.

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

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

18       (2) On default in the payment or in the satisfaction of a  
19 depository account holder's obligation, the depository, without  
20 notice to or consent of the depository account holder, may transfer  
21 on the depository's books all or part of the balance of a  
22 depository account holder's depository account to the extent  
23 necessary to pay or satisfy the obligation, as determined by  
24 reference to the exchange rates applicable at the time of the  
25 transfer.

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

28       (4) Subject to a lien created as provided by this section, the  
29 depository shall recognize the lawful pledge to a third party by a

1 depository account holder of the depository account holder's  
2 rights, interests, and entitlements in and to a depository account  
3 as an intangible asset. On the satisfaction of other requirements  
4 of law in respect of the perfection and enforcement of a pledge of  
5 that type, the depository shall take all steps reasonably necessary  
6 and appropriate to effectuate on the depository's books any  
7 transfer of a depository account or of all or part of a depository  
8 account balance to the account of the secured party on the  
9 successful enforcement of the pledge.

10       Sec. 71. (1) Unless a term of the depository account provides  
11 otherwise, a person on whose signature precious metals may be  
12 withdrawn from a depository account that is jointly held in the  
13 names of 2 or more persons may, by a signed pledge, pledge and  
14 transfer to the depository or to a third party all or part of the  
15 account.

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

19       Sec. 73. (1) The depository or a depository agent may accept a  
20 depository account in the name of a fiduciary, including an  
21 administrator, executor, custodian, guardian, or trustee, for a  
22 named beneficiary.

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

25       (3) Except as otherwise provided by law, a payment or delivery  
26 to a fiduciary or an acquittance signed by the fiduciary to whom a  
27 payment or delivery is made is a discharge of the depository for  
28 the payment or delivery.

29       (4) After an individual who holds a depository account in a

1 fiduciary capacity dies, the depository may pay or deliver to the  
2 beneficiary of the account the quantity of precious metals  
3 represented by the balance in the depository account, plus other  
4 rights relating to the depository account, wholly or partly, if the  
5 depository does not receive written notice or order of the probate  
6 court of either of the following:

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

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

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

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

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

18 (b) If the person claiming to be the trustee dies, the  
19 depository may pay or deliver the quantity of precious metals  
20 represented by the balance in the account to the person for whom  
21 the account was opened.

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

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

29 (2) For purposes of this section, written notice of the death

1 or adjudication of incompetency of a depository account holder is  
2 considered to be written notice of revocation of the authority of  
3 the account holder's attorney-in-fact.

4 Sec. 79. The state treasurer shall establish the references by  
5 which the official exchange rate for pricing precious metals  
6 transactions in terms of United States dollars or other currency  
7 must be established at the time of a depository transaction. The  
8 state treasurer shall establish procedures and facilities through  
9 which the rates are made discoverable at all reasonable times by  
10 system participants, both on a real-time basis and retrospectively.

11 PART 3

12 CIVIL ACTIONS AND OTHER MATTERS

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

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

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

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

29 (5) A suit authorized by this section must be brought in the

1 court of claims.

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

5 Sec. 83. (1) A purported confiscation, requisition, seizure,  
6 or other attempt to control the ownership, disposition, or proceeds  
7 of a withdrawal, transfer, liquidation, or settlement of a  
8 depository account, including the precious metals represented by  
9 the balance of a depository account, if effected by a governmental  
10 or quasi-governmental authority other than an authority of this  
11 state or by a financial institution or other person acting on  
12 behalf of or pursuant to a directive or authorization issued by a  
13 governmental or quasi-governmental authority other than an  
14 authority of this state, in the course of a generalized declaration  
15 of illegality or emergency relating to the ownership, possession,  
16 or disposition of 1 or more precious metals, contracts, or other  
17 rights to the precious metals or contracts or derivatives of the  
18 ownership, possession, disposition, contracts, or other rights, is  
19 void and of no force or effect.

20 (2) If the depository receives notice of a transaction  
21 described by subsection (1), with respect to all or any portion of  
22 the balance of a depository account, all of the following  
23 requirements apply:

24 (a) The depository shall not recognize the governmental or  
25 quasi-governmental authority, financial institution, or other  
26 person acting as the lawful successor of the registered holder of  
27 the depository account in question.

28 (b) The depository shall suspend withdrawal privileges  
29 associated with the balances of the depository account until the

1 matter is resolved.

2 (c) The depository shall refer the matter to the attorney  
3 general for resolution. The attorney general may take any action  
4 necessary to resolve the matter, including, but not limited to,  
5 bringing an action to obtain a declaratory judgment regarding the  
6 matter.

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

9 PART 4

10 DEPOSITORY AGENTS

11 Sec. 91. The depository may use private, independently managed  
12 financial institutions to provide retail locations for the  
13 provision of depository services to the public on behalf of the  
14 depository.

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

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

28 PART 5

29 RECORDS AND REPORTING

1           Sec. 101. The state treasurer shall establish procedures and  
2 requirements for the depository and depository agents designed to  
3 minimize the burden to system participants of accounting for and  
4 reporting taxable gains and losses arising out of depository  
5 transactions as denominated in United States dollars or another  
6 currency.

7           Sec. 103. (1) All of the following records are confidential  
8 and exempt from disclosure under the freedom of information act,  
9 1976 PA 442, MCL 15.231 to 15.246:

10           (a) Records relating to individual depository accounts or  
11 depository account holders, including current, former, or  
12 prospective depository account holders, that are in the custody of  
13 the depository or a vendor performing services related to the  
14 depository.

15           (b) Records and other information related to the security of  
16 the depository.

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

19           (d) Commercial or financial information that would cause  
20 substantial competitive harm to the depository, including  
21 operational or other information that would give advantage to  
22 competitors or bidders.

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

25           (a) To a depository account holder regarding the depository  
26 account holder's account.

27           (b) To a state or federal agency as required by applicable  
28 law.

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



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

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

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

6 Sec. 105. The state treasurer shall submit to the governor,  
7 the senate and house fiscal agencies, the senate majority leader,  
8 the senate minority leader, the speaker of the house of  
9 representatives, the minority leader of the house of  
10 representatives, and each member of the senate and house of  
11 representatives appropriations committees a report on the status,  
12 condition, operations, and prospects for the depository and  
13 depository participation each year not later than September 30.

14 PART 6

15 DEPOSITORY SECURITY OFFICERS

16 Sec. 111. As used in this part:

17 (a) "Commission" means the Michigan commission on law  
18 enforcement standards created under section 3 of the Michigan  
19 commission on law enforcement standards act, MCL 28.603.

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

23 (c) "Michigan commission on law enforcement standards act"  
24 means the Michigan commission on law enforcement standards act,  
25 1965 PA 203, MCL 28.601 to 28.615.

26 Sec. 113. (1) Subject to the approval of the state treasurer  
27 and subsection (2), the depository may partner with a law  
28 enforcement agency to employ law enforcement officers as depository  
29 security officers to provide security services and perform other

1 law enforcement activities for the depository.

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

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

6 (b) Be licensed by the commission under the Michigan  
7 commission on law enforcement standards act.

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

10 Sec. 115. In performing law enforcement activities under this  
11 act, a depository security officer is vested with the powers,  
12 privileges, prerogatives, and immunities conferred on law  
13 enforcement officers under the laws of this state.

14 Sec. 117. A depository security officer may do all of the  
15 following:

16 (a) Perform security services for the depository.

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

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