

Legislative Analysis



ALLOW INVESTMENT OF RETIREMENT FUNDS IN CRYPTOCURRENCY

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4510 as introduced
Sponsor: Rep. Bill G. Schuette
Committee: Economic Competitiveness
Complete to 11-4-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4510 would amend the Public Employee Retirement System Investment Act to allow funds from a retirement system for which the state treasurer is the investment fiduciary¹ to be invested in *cryptocurrency* that has a market capitalization of at least \$250.0 billion averaged over the previous calendar year. Any digital asset held by the state in those funds would have to be held in the form of an exchange-traded product issued by a registered investment company.

Cryptocurrency would mean digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds and that operates independently of a central bank.

MCL 38.1139c

FISCAL IMPACT:

The bill would have no direct fiscal impact on state or local government. Financial implications for retirement systems governed by the act would depend on investment decisions made under the new provisions and subsequent investment returns.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ Executive Reorganization Order No. 2018-5, effective November 27, 2018, created the State of Michigan Investment Board and made it the investment fiduciary for retirement systems for which the state treasurer then had fiduciary responsibilities or investment authority, including the Michigan Public School Employees' Retirement System, the State Employees' Retirement System, the Michigan Judges Retirement System, the Michigan Legislative Retirement System, the Michigan State Police Retirement System, the Military Retirement System, and the irrevocable trusts that prefund retiree health care benefits (OPEB) for defined benefit plans under those systems.

<https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-38-1176>