

HOUSE BILL No. 5800

April 29, 1998, Introduced by Rep. Schauer and referred to the Committee on Commerce.

A bill to provide for the conversion to the euro currency for contracts and other financial documents that state or reference a medium of currency that has been substituted by the euro monetary unit.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Euro" means the currency of participating member states
3 of the European union that adopt a single currency in accordance
4 with the treaty on European union of February 7, 1992.

5 (b) "Introduction of the euro" means the implementation of
6 the economic and monetary union in member states of the European
7 union under the treaty on European union of February 7, 1992.

8 (c) "ECU" or "European currency unit" means the currency
9 that is used as the unit of account of the European union as
10 defined in European council regulation no. 3320/94.

1 Sec. 2. (1) If a contract or financial document states as
2 its medium of transaction the ECU or a currency that has been
3 substituted or replaced by the euro, the euro shall be a commer-
4 cially reasonable substitute and may be used to do either of the
5 following:

6 (a) To determine the value of the obligation under the con-
7 tract or financial document.

8 (b) To tender payment.

9 (2) The conversion rate used in subsection (1) shall be the
10 rate specified in and calculated in accordance with the regula-
11 tions adopted by the council of the European union.

12 Sec. 3. (1) After the implementation of the euro, per-
13 formance of an obligation under a contract or financial document
14 shall be made only in the euro or the currency or currencies spe-
15 cifically designated in the contract or financial document.

16 (2) The currency or currencies allowed under subsection (1)
17 may be used only if the currency or currencies remain legal
18 tender.

19 Sec. 4. Except as provided in section 5, this act or the
20 conversion to the euro under any other terms and conditions does
21 not alter or change the requirements or obligations under a con-
22 tract or financial document. The following does not discharge or
23 excuse performance or give a party the right to unilaterally
24 alter or terminate a contract or financial document:

25 (a) The introduction of the euro.

26 (b) Tendering euros in performance under a contract or
27 financial document.

1 (c) Determining the value of an obligation as permitted
2 under section 2.

3 (d) Calculating or determining the conversion rate as
4 allowed under section 2.

5 Sec. 5. This act shall not be construed to alter or other-
6 wise affect the rights of the parties to a contract or financial
7 document to mutually agree to terms and conditions relating to
8 the introduction of the euro.