

HOUSE BILL NO. 4107

January 29, 2019, Introduced by Reps. Farrington, Berman, Guerra, Marino, LaFave and Wittenberg and referred to the Committee on Financial Services.

A bill to amend 1931 PA 328, entitled
"The Michigan penal code,"
by amending section 411j (MCL 750.411j), as amended by 2009 PA 82.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 411j. As used in this section and sections 411k to 411q:

2 (a) "Controlled substance offense" means a felony violation of
3 part 74 of the public health code, 1978 PA 368, MCL 333.7401 to
4 333.7461, concerning controlled substances.

5 (b) "Cryptocurrency" means digital currency in which
6 encryption techniques are used to regulate the generation of units

1 of currency and verify the transfer of funds, and that operates
2 independently of a central bank.

3 (c) ~~(b)~~—"Knowingly", in the case of a corporation, means with
4 the approval or prior actual knowledge of the board of directors, a
5 majority of the directors, or persons who together hold a majority
6 of the voting ownership interests in the corporation. In
7 determining whether a majority of the directors approved of or had
8 knowledge of the activity, a director who was not aware of the
9 activity due to his or her own negligence or other fault is
10 regarded as having had knowledge of the activity. This subdivision
11 does not limit the liability of any individual officer, employee,
12 director, or stockholder of a corporation.

13 (d) ~~(c)~~—"Financial transaction" means a purchase, sale, loan,
14 pledge, gift, transfer, delivery, exchange, or other disposition of
15 a monetary instrument or other property and, with respect to a
16 financial institution, includes a deposit, withdrawal, transfer
17 between accounts, exchange of currency, loan, extension of credit,
18 purchase or sale of any stock, bond, certificate of deposit, or
19 other monetary instrument, or any other payment, transfer, or
20 delivery by, through, or to a financial institution, by whatever
21 means effected.

22 (e) ~~(d)~~—"Financial institution" means 1 or more of the
23 following, if located in or doing business in this state:

24 (i) An insured bank, as defined in section 3(h) of the federal
25 deposit insurance act, 12 USC 1813(h).

26 (ii) A commercial bank or trust company.

27 (iii) A private banker.

28 (iv) An agency or branch of a foreign bank.

29 (v) A savings and loan institution.

(vi) A thrift institution.

(vii) A credit union.

(viii) A broker or dealer registered with the securities and exchange commission under the securities exchange act of 1934, 15 USC 78a to 78nn.

(ix) A broker or dealer in securities or commodities.

(x) An investment banker or investment company.

(xi) A currency exchange.

(xii) An insurer, redeemer, or cashier of traveler's checks, checks, or money orders.

(xiii) An operator of a credit card system.

(xiv) An insurance company.

(xv) A dealer in precious metals, stones, or jewels.

(xvi) A pawnbroker.

(xvii) A loan, finance, or mortgage company.

(xviii) A travel agency.

(xix) A licensed sender of money.

(xx) A telegraph company.

(f) ~~(e)~~—"Monetary instrument" means coin or currency of the United States or another country, or group of countries, a traveler's check, personal check, bank check, money order, **cryptocurrency**, or investment security or negotiable instrument in bearer form or in any other form such that delivery is sufficient to pass title.

(g) ~~(f)~~—"Proceeds of a specified criminal offense" means any monetary instrument or other real, personal, or intangible property obtained through the commission of a specified criminal offense, including any appreciation in the value of the monetary instrument

1 or property.

2 (h) ~~(g)~~ "Specified criminal offense" means any of the
3 following:

4 (i) A felony violation of section 8 of the tobacco products tax
5 act, 1993 PA 327, MCL 205.428, or section 9 of former 1947 PA 265,
6 concerning cigarette taxes.

7 (ii) A violation of section 11151 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.11151, or
9 section 48(3) of former 1979 PA 64, concerning felonious disposal
10 of hazardous waste.

11 (iii) A controlled substance offense.

12 (iv) A felony violation of section 60 of the social welfare
13 act, 1939 PA 280, MCL 400.60, concerning welfare fraud.

14 (v) A violation of section 4, 5, or 7 of the medicaid false
15 claim act, 1977 PA 72, MCL 400.604, 400.605, and 400.607,
16 concerning ~~medicaid~~ **Medicaid** fraud.

17 (vi) A felony violation of section 18 of the Michigan gaming
18 control and revenue act, ~~the Initiated Law of 1996,~~ **1996 IL 1**, MCL
19 432.218, concerning the business of gaming.

20 (vii) A violation of section 409 of ~~the uniform securities act,~~
21 **former** 1964 PA 265, ~~MCL 451.809,~~ or section 508 of the uniform
22 securities act (2002), 2008 PA 551, MCL 451.2508, concerning
23 securities fraud.

24 (viii) A violation of section 5 or 7 of 1978 PA 33, MCL 722.675
25 and 722.677, concerning the display or dissemination of obscene
26 matter to minors.

27 (ix) A felony violation of section 72, 73, 74, or 75,
28 concerning arson.

1 (x) A violation of section 93, 94, 95, or 96, concerning bank
2 bonds, bills, notes, or property.

3 (xi) A violation of section 117, 118, 119, 120, 121, or 124,
4 concerning bribery.

5 (xii) A violation of section 120a, concerning jury tampering.

6 (xiii) A violation of section 145c, concerning child sexually
7 abusive activity or material.

8 (xiv) A felony violation of section 157n, 157p, 157q, 157r,
9 157s, 157t, or 157u, concerning credit cards or financial
10 transaction devices.

11 (xv) A violation of section 159i, concerning racketeering.

12 (xvi) A felony violation of section 174, 175, 176, 180, 181, or
13 182, concerning embezzlement.

14 (xvii) A felony violation of chapter XXXIII, concerning
15 explosives or bombs.

16 (xviii) A violation of section 213, concerning extortion.

17 (xix) A felony violation of section 218, concerning false
18 pretenses.

19 (xx) A felony violation of chapter XLI, concerning forgery or
20 counterfeiting.

21 (xxi) A violation of section 271, 272, 273, or 274, concerning
22 securities fraud.

23 (xxii) A violation of section 301, 302, 303, 304, 305, 305a, or
24 313, concerning gambling.

25 (xxiii) A violation of section 316 or 317 concerning murder.

26 (xxiv) A violation of section 330, 331, or 332, concerning
27 horse racing.

28 (xxv) A violation of section 349, 349a, or 350, concerning

1 kidnapping.

2 (xxvi) A felony violation of chapter LII, concerning larceny.

3 (xxvii) A violation of section 422, 423, 424, or 425, concerning
4 perjury or subornation of perjury.

5 (xxviii) A violation of section 452, 455, 457, 458, or 459,
6 concerning prostitution.

7 (xxix) A violation of section 529, 530, or 531, concerning
8 robbery.

9 (xxx) A felony violation of section 535 or 535a, concerning
10 stolen, embezzled, or converted property.

11 (xxxi) A violation of chapter LXXXIII-A, concerning terrorism.

12 (xxxii) A violation of section 5 of 1984 PA 343, MCL 752.365,
13 concerning obscenity.

14 (xxxiii) A conspiracy, attempt, or solicitation to commit an
15 offense listed in subparagraphs (i) to (xxxii).

16 (i) ~~(h)~~—"Substituted proceeds of a specified criminal offense"
17 means any monetary instrument or other real, personal, or
18 intangible property obtained or any gain realized by the sale or
19 exchange of proceeds of a specified criminal offense.

20 Enacting section 1. This amendatory act takes effect 90 days
21 after the date it is enacted into law.