TESTIMONY OF

Elizabeth Hansson
Founder, Detroit Blockchain Collective
Michigan President, Stand With Crypto

BEFORE THE

Economic Competitiveness Committee
Re. House Bill No. 4510: Investment in Cryptocurrency by Certain Retirement Funds

November 11, 2025

Chair Hoadley, Majority Vice Chair Bohnak, Minority Vice Chair Grant, and members of the Committee, thank you for the honor of the invitation to provide testimony on House Bill 4510. Your ongoing attention to this issue reflects a clear commitment to ensuring Michigan's pension system operates with strong fiduciary standards and modern, well-defined tools. I appreciate the opportunity to contribute to that effort. My hope is that my perspective is helpful as the Committee evaluates how House Bill 4510 can bring clarity to fiduciaries and support responsible, long-term management of Michigan's public retirement assets.

I have spent my career working at the intersection of software engineering, economic innovation, and emerging technology. After graduating from the University of Michigan, I began my professional life as a software engineer in the automotive sector, and as Michigan's tech landscape evolved, my work expanded into blockchain and financial technology, where I ultimately served eight years as CTO of a decentralized finance company during a period of rapid expansion and transformation in digital-asset markets. My work in this space has given me firsthand insight into the technical, economic, and operational considerations that shape blockchain systems and the communities that rely on them.

In Michigan, I now focus on strengthening our state's digital-asset ecosystem and ensuring that policy, technology, and economic opportunity move in alignment. I founded the Detroit Blockchain

Collective, one of the largest and most active blockchain communities in the Midwest, and I work closely with student groups at Michigan's major universities to support the next generation of builders. I also serve as the Michigan President for Stand With Crypto, where I represent nearly 55,000 Stand With Crypto advocates in our state, and more than 1.2 million Michiganders who own cryptocurrency. This work has shown me both the promise and the challenges of digital-asset adoption, and the importance of clear, well-designed policy frameworks to guide responsible innovation.

House Bill 4510 establishes a clear and familiar pathway for Michigan's pension boards to evaluate digital-asset exposure within the regulated environment of SEC-supervised exchange-traded products. The bill authorizes fiduciaries to consider, but never mandates them to adopt, these products as part of their investment analysis. It preserves continuity with current standards by leaving all allocation decisions to pension boards and imposing no new investment requirements. It also fits firmly within the fiduciary oversight, disclosure, and audit structures that govern pension investments in commodities and other alternative assets.

Michigan's public pension trustees operate under the Prudent Investor Rule, which emphasizes diversification, risk-adjusted returns, and the use of modern portfolio theory. House Bill 4510 respects this framework by allowing consideration of digital-asset exposure only through regulated investment companies, where fiduciaries maintain full discretion, oversight, and independent judgment. This bill does not create a new asset mandate; it simply ensures that fiduciaries can evaluate a modern asset class using the same risk frameworks already applied to commodities, alternatives, and inflation-hedging instruments.

Michigan's public pension system has already incorporated digital-asset exposure within a diversified, regulated structure. The State of Michigan Retirement System first reported a position in a spot Bitcoin exchange-traded fund in 2024 and subsequently expanded that position in 2025. It has also disclosed regulated Ethereum exposure through exchange-traded products. Analysts reviewing these filings noted that Michigan was among the earliest public pension systems to report positions in both Bitcoin and Ethereum ETPs.

House Bill 4510 strengthens Michigan's existing fiduciary framework by clarifying the narrow circumstances under which digital-asset exposure may be considered. By replacing ambiguity with

clear statutory limits, the bill adds defined guardrails and risk-management parameters to current practice. Under the bill, any eligible asset must meet a minimum market-capitalization threshold of $250 billion, and total exposure to digital assets is capped at 5 percent of fund assets. These limits ensure that any consideration of digital-asset products occurs within a conservative and prudently structured framework, aligned with long-dated obligations.

Several states have already stepped into leadership roles on this issue by adopting measured statutory frameworks that incorporate digital assets within fiduciary obligations. New Hampshire enacted a first-in-the-nation reserve law permitting up to 5 percent of public funds in digital assets that meet a high market-capitalization threshold, held through secure custody or an exchange-traded product. Texas created a Strategic Bitcoin Reserve with defined custody, reporting, and market-cap requirements. Arizona updated its unclaimed-property statutes for digital assets and established a Bitcoin and Digital Assets Reserve Fund. These examples underscore that responsible participation is possible when lawmakers pair innovation with clear statutory guardrails and transparent oversight structures.

Concerns about volatility are understandable, which is why any potential allocation under House Bill 4510 would be both entirely optional and limited to a modest, liquid position. The bill simply permits fiduciaries to evaluate these regulated products using the same discipline they apply to other narrowly sized alternative holdings, should the risk-return profile warrant review. It defines when such consideration may occur without encouraging, requiring, or expanding exposure beyond what prudent management would allow.

House Bill 4510 is a measured update to statute that mirrors the tools Michigan’s pension system has already used in practice. The bill establishes clear parameters, a minimum market-capitalization threshold and a hard 5-percent cap on total digital-asset exposure, while preserving all existing fiduciary obligations and oversight requirements. It is a conservative permission structure that can be used to hedge inflation risk and diversify return sources, if and when the data supports it. I respectfully ask for your support in advancing this bill so Michigan’s pension fiduciaries retain a safe, optional instrument to protect beneficiaries and ensure our state is aligned with responsible financial innovation.