Bitcoin: A Beginner's Guide

The Michigan Bitcoin Trade Council



Michigan has an opportunity to join this growing coalition of states securing sound money and economic resilience.

STATES WITH PASSED, ACTIVE PRO-BITCOIN LAWS

- ARKANSAS ACT 851 (2023) PROTECTS HOME + INDUSTRIAL BITCOIN MINING FROM DISCRIMINATORY ZONING/UTILITY RULES.
- COLORADO CRYPTO TAX PAYMENT PROGRAM (2022) ALLOWS STATE TAXES TO BE PAID IN CRYPTO (VIA PAYPAL CONVERSION).
- MONTANA SB 178 (2023) PROTECTS NODE-RUNNING, HOME MINING, AND COMMERCIAL MINING FROM DISCRIMINATION.
- OKLAHOMA HB 3594 (2024) PROTECTS SELF-CUSTODY, P2P TRANSACTIONS, NODE OPERATION, HOME + INDUSTRIAL MINING.
- TENNESSEE DAO LLC LAW (2022) RECOGNIZES DECENTRALIZED, BITCOIN-GOVERNED ORGANIZATIONS AS LEGAL LLCS.
- TEXAS SB 21 (2025) ESTABLISHES A STATE BITCOIN RESERVE HELD IN COLD STORAGE.
- UTAH LLD ACT (2024) CREATES A LEGAL STRUCTURE FOR DECENTRALIZED / BITCOIN-NATIVE ORGANIZATIONS.
- WYOMING DIGITAL ASSET LEGAL FRAMEWORK (2019–2023) ESTABLISHES BITCOIN PROPERTY RIGHTS + CUSTODY BANKING (SPDI CHARTERS).

What Is Bitcoin?

The First Truly Decentralized Digital Money

- CREATED IN 2009 BY SATOSHI NAKAMOTO — NO CEO, NO COMPANY, NO HEADQUARTERS.
- BUILT ON A PEER-TO-PEER NETWORK — TRANSACTIONS VERIFIED BY USERS, NOT BANKS.
- RECORDS ARE STORED ON A PUBLIC BLOCKCHAIN — A LEDGER THAT ANYONE CAN AUDIT.
- ONLY 21 MILLION BITCOIN WILL EVER EXIST.



BITCOIN: DIGITAL MONEY REVOLUTION

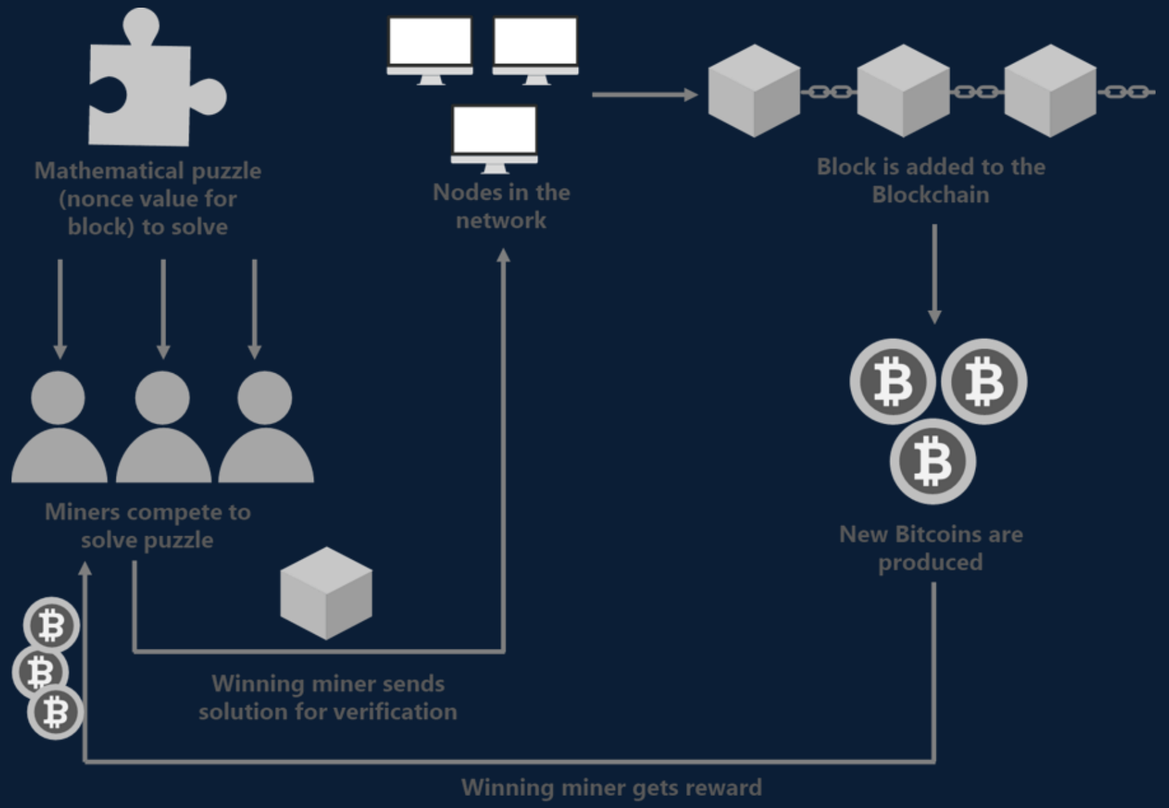
Bitcoin is **governed by mathematics**, not governments.

How Bitcoin Works:

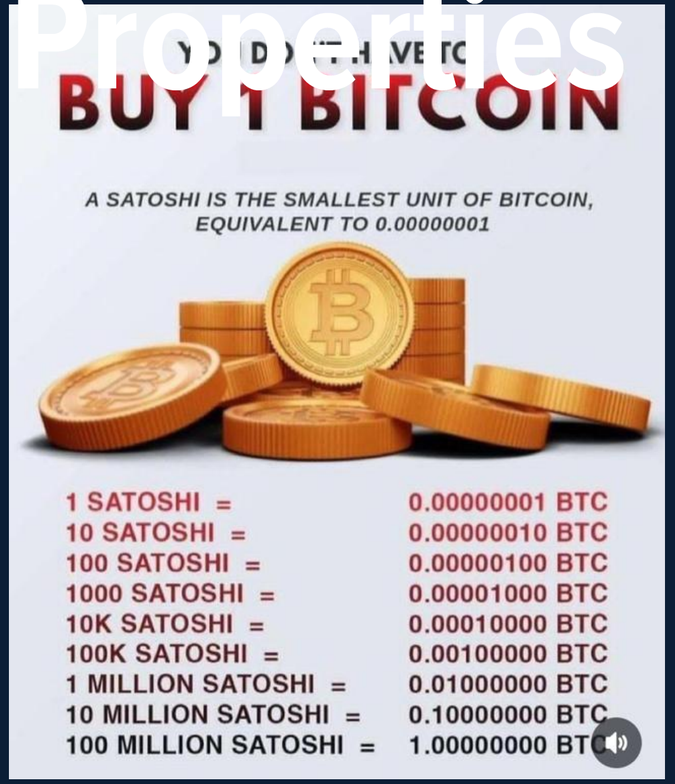
- Every 10 minutes (on average), a new block of transactions is added to the blockchain.
- Miners compete to solve a complex mathematical puzzle — the first to solve it earns new Bitcoin.
  - This process is called Proof of Work, turning electricity and computation into security.
- Nodes are like referees — they verify each block to ensure the rules are followed.
- The very first block, the Genesis Block, was mined by Satoshi on January 3, 2009, with this message embedded:

"THE TIMES 03/JAN/2009 CHANCELLOR ON BRINK OF SECOND BAILOUT FOR BANKS."

Mining, Blocks, and Nodes — The Engine of Bitcoin



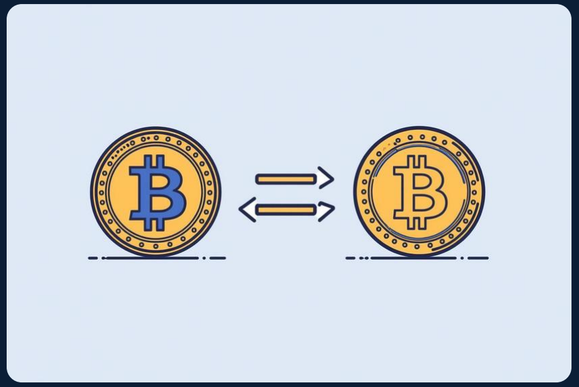
Bitcoin's Key Monetary Properties





DIVISIBILITY

Bitcoin can be divided into smaller units seamlessly.



FUNGIBILITY

Each bitcoin is interchangeable with another, equally valuable.



DURABILITY

Bitcoin has a strong digital foundation resistant to decay.



PORTABILITY

Bitcoin can be easily transferred across the globe.

Adoption Timeline

Key milestones in Bitcoin's global acceptance journey

2010 LAUNCH

Bitcoin is launched, priced at less than $0.01.

2013 RECOGNITION

Major media coverage begins, increasing public interest.

2017 SURGE

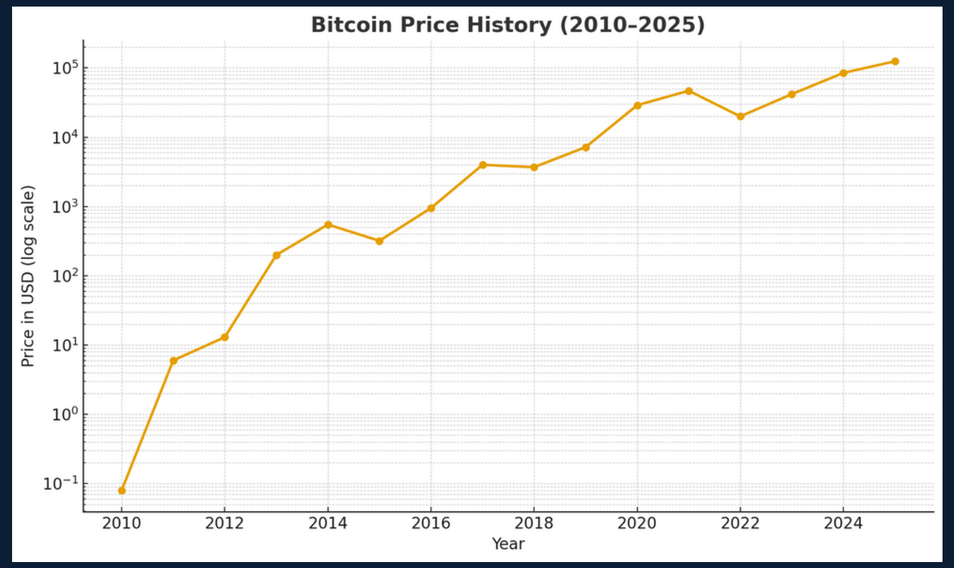
Bitcoin reaches an all-time high near $20,000.

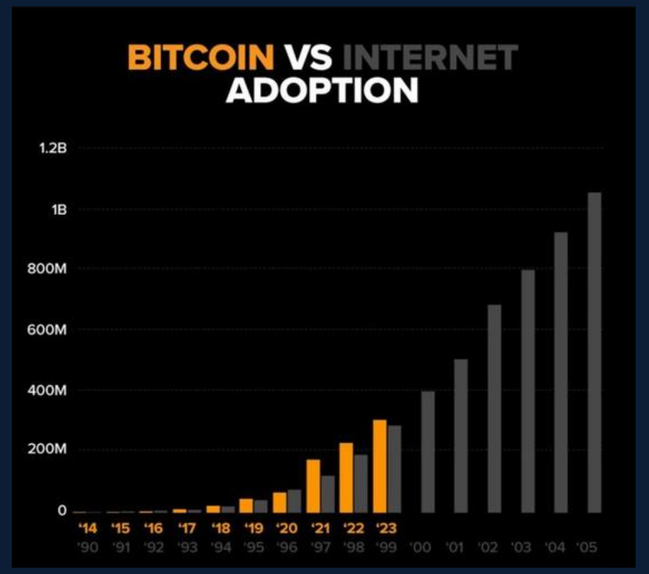
2021 LEGAL TENDER

El Salvador Adopts Bitcoin as Legal Tender

2024 INSTITUTIONAL

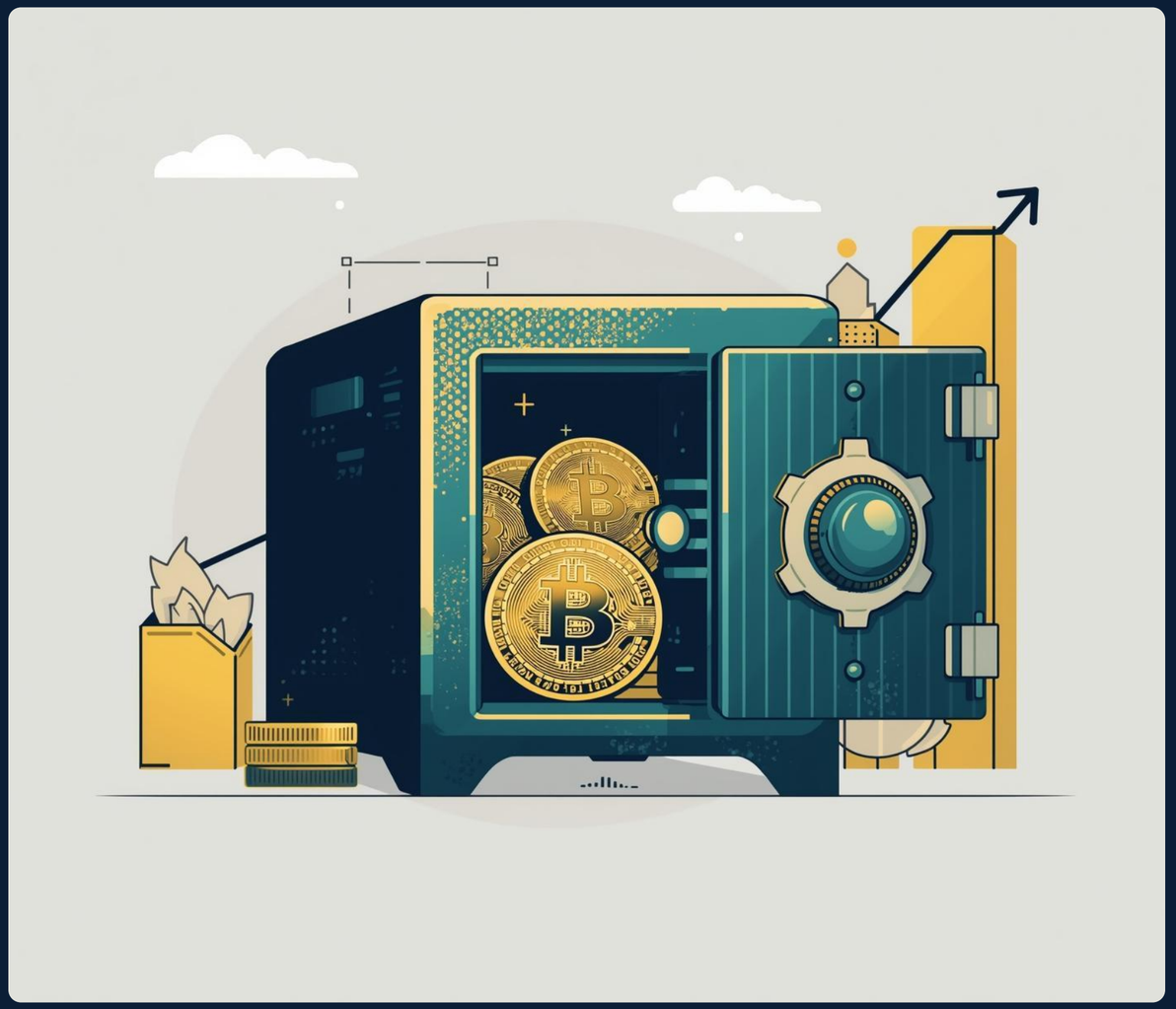
IU.S. spot Bitcoin ETFs approved by the SEC





Bitcoin: Digital Gold and Inflation Hedge

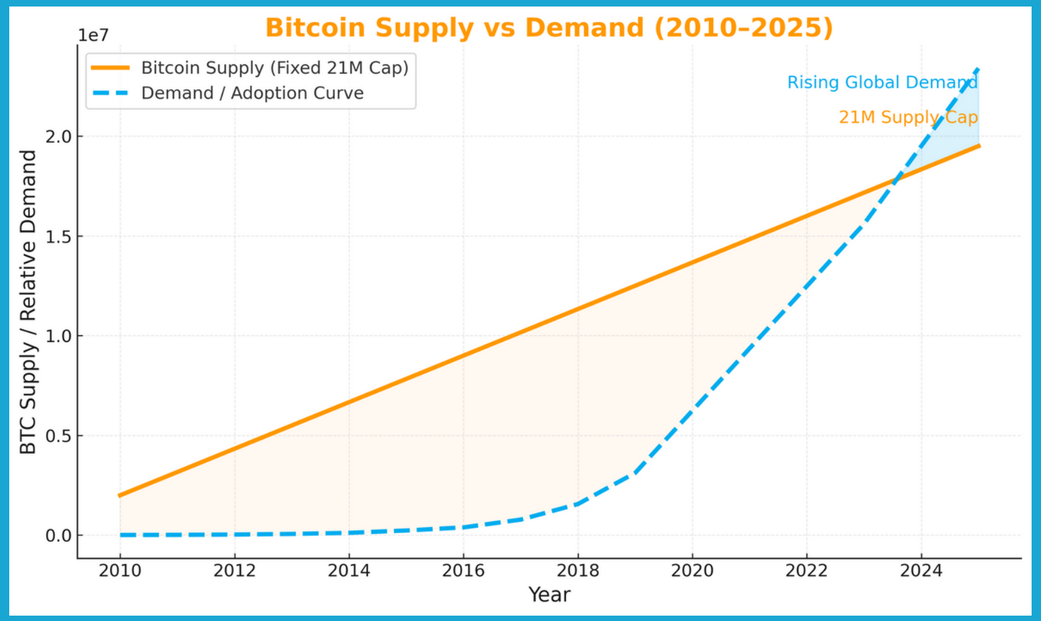
- BITCOIN REWARDS SAVING OVER SPENDING — NUMBER GO UP BECAUSE SUPPLY GOES DOWN.
- HALVINGS REDUCE NEW ISSUANCE BY 50% ON A FIXED SCHEDULEG EVERY FOUR YEARS - CREATING SCARCITY.
- SELF-CUSTODY MEANS YOU ARE YOUR OWN BANK.
- LONG-TERM HOLDERS (HODLERS) HISTORICALLY OUTPERFORM EVERY OTHER ASSET.
- BITCOIN IS PROTECTION AGAINST INFLATION AND CURRENCY DECAY.



PROTECTING WEALTH AGAINST INFLATION

The Digital Vault of the 21st Century

Why Bitcoin Will Continue to Rise



FIXED SUPPLY

Bitcoin's limited supply creates inherent value and scarcity.

GROWING DEMAND

Increased interest drives up demand from users and institutions.

NETWORK EFFECT

More users enhance security, increasing Bitcoin's overall value.

MATHEMATICAL PREDICTABILITY

Monetary schedule is algorithmic and credibly neutral; protocol changes require broad, voluntary consensus.



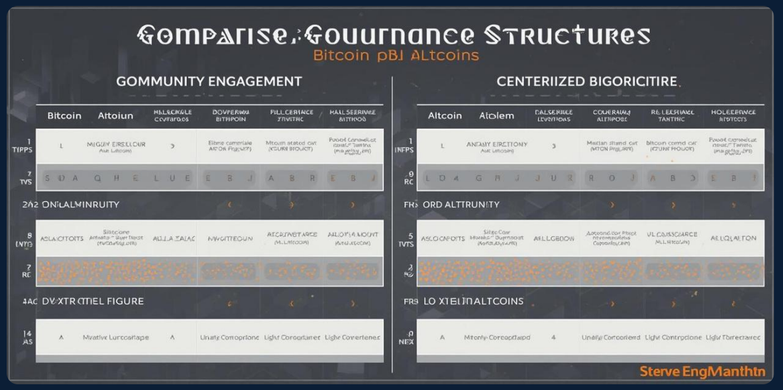
FOUNDER

Bitcoin's founder is **anonymous**, promoting decentralization.



PURPOSE

Bitcoin serves as **money and freedom**, not speculation.



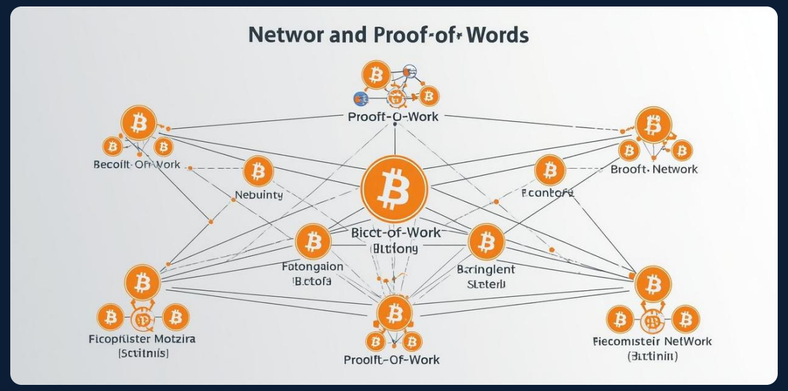
GOVERNANCE

Bitcoin utilizes **community consensus** for governance.



SUPPLY

Bitcoin has a **fixed supply**, unlike many other crypto “currencies”.



NETWORK

Bitcoin operates on **Proof-of-Work**, ensuring security.

BITCOIN V. CRYPTO = NOT THE SAME



Conclusion

CALL TO ACTION

MICHIGAN HAS ALWAYS BEEN A LEADER IN INNOVATION — FROM MANUFACTURING TO MOBILITY.

NOW, WE HAVE THE OPPORTUNITY TO LEAD AGAIN — THIS TIME, IN FINANCIAL INNOVATION AND DIGITAL SOVEREIGNTY.

WE KINDLY ASK YOU TO SUPPORT PRO-BITCOIN LEGISLATION THAT EMPOWERS LOCAL GOVERNMENTS, PROTECTS INDIVIDUAL RIGHTS, AND INVITES RESPONSIBLE INNOVATION.

LET’S MAKE MICHIGAN THE NEXT SOUND-MONEY STATE.

Thank You

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