



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2009 Assembly Bill 850

Assembly Amendment 1

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Under *current law*, the phrase “political subdivision of a state” appears in ch. 551, Stats., with respect to a paragraph of the definition of “institutional investor” relating to employee benefit plans. [s. 551.102 (11) (g), Stats.] Generally, under ch. 551, Stats., security *transactions* involving institutional investors are exempt from registration requirements. [s. 551.202 (13) (a), Stats.]

The phrase “political subdivision of a state” also appears in s. 551.201 (1), Stats., which defines securities issued, insured, or guaranteed by a political subdivision of a state as *exempt securities* under ch. 551, Stats.

2009 Assembly Bill 850 specifies the definition of “political subdivision of a state” for purposes of ch. 551, Stats., the Wisconsin Uniform Securities Law. Under Assembly Bill 850, “political subdivision of a state” would mean, with respect to Wisconsin, a city, village, town, or county.

Accordingly, Assembly Bill 850 would limit the definition of “political subdivision of a state” with respect to each of the following:

- The definition of “institutional investor” for purposes of exempt transactions under s. 551.202 (13) (a), Stats.
- The definition of “political subdivision of a state” for purposes of exempt securities under s. 551.202 (1), Stats.

Assembly Amendment 1 to Assembly Bill 850 deletes the general definition of “political subdivision of a state” for purposes of ch. 551, Stats. Instead, the amendment specifies that “political subdivision of a state,” as it applies to the definition of “institutional investor,” does not include a school district.

Accordingly, under the amendment, the exemption for *transactions* with institutional investors would not apply to a school district.

Legislative History

Assembly Amendment 1 to 2009 Assembly Bill 850 was offered by Representatives Barca and Steinbrink. On April 7, 2010, the Assembly Committee on Financial Institutions recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 850, as amended, by votes of Ayes, 10; Noes, 0; and Absent, 1.

SG:ksm