



2011 ASSEMBLY BILL 228

August 26, 2011 – Introduced by Representatives A. OTT, NERISON, BROOKS, BERNIER, BEWLEY, DANOU, DOYLE, HEBL, HULSEY, JACQUE, JORGENSEN, KESTELL, KRUG, T. LARSON, MARKLEIN, PETROWSKI, RINGHAND, RIPP, RIVARD, STEINBRINK, TAUCHEN, TRANEL, VRUWINK, WILLIAMS and WYNN, cosponsored by Senators SCHULTZ, MOULTON, ERPENBACH, GALLOWAY, TAYLOR and VINEHOUT. Referred to Committee on Financial Institutions.

1 **AN ACT *to repeal and recreate* 551.201 (8) of the statutes; relating to:**
2 **exemptions from securities registration requirements.**

Analysis by the Legislative Reference Bureau

In 1969, this state enacted the Wisconsin Uniform Securities Law (WUSL), effective January 1, 1970, based upon the Uniform Securities Act of 1956, with some modifications. In 2008, the WUSL was recodified, effective January 1, 2009, based on the Uniform Securities Act of 2002, with some modifications.

Under current law, a person may not offer or sell any security in this state unless the security is registered with the Division of Securities in the Department of Financial Institutions (division), the security or transaction is exempt from registration, or the security is a federal covered security. Certain notice filing requirements may apply to federal covered securities. A “security” is defined broadly under the WUSL and includes stocks, notes, bonds, investment contracts, limited partnership interests, and certain other financial interests.

Under current law, certain securities are exempt from registration with the division, including: securities of the United States, a state or political subdivision of a state, or a foreign government; securities of a federally insured financial institution, an insurance company, a public utility, or a common carrier; securities listed, or approved for listing, on a securities exchange; and securities of certain religious or charitable nonprofit organizations. Another category of securities exempt from registration is: “A member’s or owner’s interest in, or a retention certificate or like security given in lieu of a cash patronage dividend issued by, a cooperative organized and operated as a nonprofit membership cooperative under

