

**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2005 SENATE BILL 619**

1     **AN ACT** *to repeal* 180.0825 (2) (a), 180.0825 (5) (a) to (h) and 180.1105 (1) (a) and  
2           (b); *to renumber* 180.1105 (1) (c) and (d); *to renumber and amend* 180.0602  
3           (3); *to consolidate, renumber and amend* 180.0825 (2) (intro.) and (b); *to*  
4           ***amend*** 179.02 (1), 179.76 (4) (c), 179.77 (6) (c), 179.84, 180.0121 (1) (a) 4.,  
5           180.0121 (2), 180.0502 (3), 180.0706 (title), 180.0824 (3), 180.0825 (1), 180.1103  
6           (1), 180.1104 (1), 180.1106 (1) (b), 180.1130 (3) (a) (intro.), 180.1140 (11),  
7           180.1150 (2), 180.1161 (4) (c), 180.1201 (title), 180.1201 (2), 180.1302 (4),  
8           181.0121 (1) (a) 4., 181.0121 (2), 181.0502 (3), 181.1106 (2), 181.1161 (4) (c),  
9           182.01 (title), 183.0105 (4), 183.0109 (1) (a) 5., 183.0109 (2), 183.1202 (1),  
10          183.1205 (2) and 183.1207 (4) (c); *to repeal and recreate* 180.1130 (14); and  
11          ***to create*** 73.14, 179.76 (5) (bm), 179.76 (5m), 179.77 (5) (bm), 179.77 (5r),  
12          180.0602 (3) (b), 180.0706 (3), 180.0708, 180.0825 (5) (am) and (bm), 180.11045,  
13          180.1105 (1) (bm), (cm), (dm) and (e) to (h), 180.1161 (5) (bm), 180.1201 (1) (d),

1 180.1302 (1) (a) 3., 181.1105 (1m), 181.1161 (5) (bm), 182.01 (7), 183.1204 (1)  
2 (cm) and 183.1207 (5) (bm) of the statutes; **relating to:** mergers, conversions,  
3 and other business combinations; merger and conversion reports; the authority  
4 of the boards of directors of business corporations and corporate committees;  
5 corporate shareholder notices and meetings; the transfer of corporate property  
6 to certain affiliates; naming limited partnerships; and providing penalties.

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***Analysis by the Legislative Reference Bureau***

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

7 **SECTION 1.** 73.14 of the statutes is created to read:

8 **73.14 Merger and conversion real estate reports.** (1) If an acquired  
9 business entity in a merger or the converted business entity in a conversion owned  
10 a fee simple ownership interest in any Wisconsin real estate immediately prior to the  
11 merger or conversion, the surviving business entity shall submit a report to the  
12 department of revenue, on a form prescribed by the department, no later than 60  
13 days after the effective date of the merger or conversion that provides the following  
14 information:

15 (a) The effective date of the merger or conversion.

16 (b) The name, address, and federal employer identification number of each  
17 business entity that is a party to the merger or conversion.

18 (c) The name, telephone number, and address of any person at the surviving  
19 business entity that the department of revenue may contact with regard to  
20 submitting the report and the information contained in the report and the address

1 to which tax bills should be sent, if different from the address for the contact person  
2 described in this paragraph.

3 (d) The parcel identification number of each fee simple ownership interest in  
4 Wisconsin real estate owned by the acquired business entity in a merger or by the  
5 converted entity in a conversion and municipality in which such interest is located.

6 (e) In the case of a conversion, a sworn statement that, after the conversion, the  
7 ownership interests in the surviving entity are identical with the ownership  
8 interests in the original entity immediately preceding the conversion.

9 (f) A certified copy of the document providing evidence of the merger or  
10 conversion, as filed with the state in which the surviving entity is organized and a  
11 copy of any merger or conversion plan, regardless of whether the plan is required to  
12 be filed with the state in which the surviving entity is organized.

13 **(2)** (a) If a surviving entity required to submit a report under sub. (1), fails to  
14 file the report within the time provided under sub. (1), the surviving entity is subject  
15 to a penalty in an amount equal to \$200 for each day that the report is late, but not  
16 to exceed \$7,500, except that no penalty shall be imposed under this paragraph if the  
17 surviving entity can show good cause for submitting a late report and if submitting  
18 a late report is not the result of the surviving entity's intentional act or omission.

19 (b) If a surviving entity required to submit a report under sub. (1), fails to  
20 specify in the report each municipality in which a fee simple ownership interest in  
21 Wisconsin real estate owned by the acquired business entity in a merger, or by the  
22 converted business entity in a conversion, is located, the surviving entity is subject  
23 to a penalty in an amount equal to \$1,500 for each municipality not specified in the  
24 report and in which such ownership interest in located, except that no penalty shall  
25 be imposed under this paragraph if the surviving entity can show good cause for the

1 failure to specify each municipality as described under sub. (1) (d) and if such failure  
2 is not the result of the surviving entity’s intentional act or omission.

3 **(3)** The reports submitted under this section are confidential information,  
4 except that the department of revenue may disclose the reports and information from  
5 the reports for the sole purpose of administering and enforcing this subchapter, ch.  
6 70, and subch. II of ch. 77.

7 **SECTION 2.** 179.02 (1) of the statutes is amended to read:

8 179.02 **(1)** Shall contain ~~without abbreviation~~ the words “limited partnership”  
9 or the abbreviation “L.P.” or “LP”.

10 **SECTION 3.** 179.76 (4) (c) of the statutes is amended to read:

11 179.76 **(4)** (c) The business entity continues to be vested with title to all  
12 property owned by the business entity that was converted without reversion or  
13 impairment, ~~provided that, if the converting business entity has an interest in real~~  
14 ~~estate in Wisconsin on the date of the conversion, the converting business entity shall~~  
15 ~~transfer that interest to the business entity surviving the conversion and shall~~  
16 ~~execute any real estate transfer return required under s. 77.22. The business entity~~  
17 ~~surviving the conversion shall promptly record the instrument of conveyance under~~  
18 ~~s. 59.43 in the office of the register of deeds for each county in which the real estate~~  
19 ~~is located.~~

20 **SECTION 4.** 179.76 (5) (bm) of the statutes is created to read:

21 179.76 **(5)** (bm) A statement indicating whether the business entity that is to  
22 be converted has a fee simple ownership interest in any Wisconsin real estate.

23 **SECTION 5.** 179.76 (5m) of the statutes is created to read:

24 179.76 **(5m)** If the department prescribes a form for the certificate of  
25 conversion under sub. (5), the form shall indicate that if the business entity that is

1 to be converted has a fee simple ownership interest in Wisconsin real estate, the  
2 entity is required to file a report with the department of revenue under s. 73.14.

3 **SECTION 6.** 179.77 (5) (bm) of the statutes is created to read:

4 179.77 (5) (bm) A statement indicating whether a business entity that merged  
5 with or into the surviving entity in the merger has a fee simple ownership interest  
6 in any Wisconsin real estate.

7 **SECTION 7.** 179.77 (5r) of the statutes is created to read:

8 179.77 (5r) If the department prescribes a form for the articles of merger under  
9 sub. (5), the form shall indicate that if a business entity that is acquired in the merger  
10 has a fee simple ownership interest in Wisconsin real estate, the business entity that  
11 survives the merger is required to file a report with the department of revenue under  
12 s. 73.14.

13 **SECTION 8.** 179.77 (6) (c) of the statutes is amended to read:

14 179.77 (6) (c) The title to all property owned by each business entity that is a  
15 party to the merger is vested in the surviving business entity without reversion or  
16 impairment, ~~provided that, if a merging business entity has an interest in real estate~~  
17 ~~in Wisconsin on the date of the merger, the merging business entity shall transfer~~  
18 ~~that interest to the business entity surviving the merger and shall execute any real~~  
19 ~~estate transfer return required under s. 77.22. The business entity surviving the~~  
20 ~~merger shall promptly record the instrument of conveyance under s. 59.43 in the~~  
21 ~~office of the register of deeds for each county in which the real estate is located.~~

22 **SECTION 8m.** 179.84 of the statutes is amended to read:

23 **179.84 Name.** A foreign limited partnership may register with the department  
24 under any name that includes ~~without abbreviation~~ the words “limited partnership”

1 ~~and that~~ or the abbreviation “L.P.” or “LP”, if the name could be registered by a  
2 domestic limited partnership.

3 **SECTION 9.** 180.0121 (1) (a) 4. of the statutes is amended to read:

4 180.0121 (1) (a) 4. An application for a certificate of conversion under s.  
5 180.1161 (5). The form prescribed under this subdivision shall indicate that if the  
6 business entity that is to be converted has a fee simple ownership interest in  
7 Wisconsin real estate, the entity is required to file a report with the department of  
8 revenue under s. 73.14.

9 **SECTION 10.** 180.0121 (2) of the statutes is amended to read:

10 180.0121 (2) The department may prescribe and furnish on request forms for  
11 other documents required or permitted to be filed by this chapter, but use of these  
12 forms is not mandatory. If the department prescribes a form for articles of merger  
13 under s. 180.1105, the form shall indicate that if a business entity that is acquired  
14 in the merger has a fee simple ownership interest in Wisconsin real estate, the  
15 business entity that survives the merger is required to file a report with the  
16 department of revenue under s. 73.14.

17 **SECTION 11.** 180.0502 (3) of the statutes is amended to read:

18 180.0502 (3) ~~If the name of a registered agent changes or if the street address~~  
19 ~~of his or her a registered agent's business office, he or she changes, the registered~~  
20 ~~agent may change the name of the registered agent or street address of the registered~~  
21 ~~office of any corporation for which he or she, or it is the registered agent by notifying.~~  
22 To make a change under this subsection, the registered agent shall notify the  
23 corporation in writing of the change and by signing, either manually or in facsimile,  
24 and delivering deliver to the department for filing a signed statement that complies  
25 with sub. (2) and recites that the corporation has been notified of the change.

1           **SECTION 12.** 180.0602 (3) of the statutes is renumbered 180.0602 (3) (a) and  
2 amended to read:

3           180.0602 **(3)** (a) After the articles of amendment are filed under sub. (2) and  
4 before the corporation issues any shares of the class or series that is the subject of  
5 the articles of amendment, the board of directors may alter or revoke ~~any the~~  
6 distinguishing designation of the class or series and the preferences, limitations, or  
7 relative rights described in the articles of amendment, by adopting another  
8 resolution appropriate for that purpose. ~~The corporation shall file and filing~~ with the  
9 department revised articles of amendment that comply with sub. (2). ~~A~~ Except as  
10 provided in par. (b), a distinguishing designation, preference, limitation, or relative  
11 right may not be altered or revoked after the issuance of any shares of the class or  
12 series that are subject to the distinguishing designation, preference, limitation, or  
13 relative right, except by amendment of the articles of incorporation under s.  
14 180.1003.

15           **SECTION 13.** 180.0602 (3) (b) of the statutes is created to read:

16           180.0602 **(3)** (b) 1. Except as otherwise provided in this subdivision, after the  
17 articles of amendment are filed under sub. (2), the board of directors may decrease  
18 the number of shares of the class or series that is the subject of the articles of  
19 amendment by adopting another resolution appropriate for that purpose. The  
20 shares specified in the resolution shall resume the status applicable to them  
21 immediately before their inclusion in the class or series. The board of directors may  
22 not decrease the number of shares under this subdivision below the number of such  
23 shares that are outstanding.

24           2. After the articles of amendment are filed under sub. (2), if no shares of the  
25 class or series that is the subject of the articles of amendment are outstanding, the

1 board of directors may eliminate from the articles of incorporation all matters set  
2 forth in the articles of amendment with respect to that class or series by adopting  
3 another resolution for that purpose. The board of directors shall prepare a certificate  
4 setting forth the content of any resolution under this subdivision, stating that none  
5 of the authorized shares of the class or series are outstanding, and stating that no  
6 such shares will be issued under the articles of amendment and shall deliver the  
7 signed certificate to the department for filing. A resolution under this subdivision  
8 takes effect upon receipt of the certificate by the department and has the effect of  
9 eliminating from the articles of incorporation all matters set forth in the articles of  
10 amendment with respect to the applicable class or series.

11 3. Except as otherwise provided in this subdivision, after the articles of  
12 amendment are filed under sub. (2), the board of directors may increase the number  
13 of shares of the class or series that is the subject of the articles of amendment by  
14 adopting another resolution appropriate for that purpose. The board of directors  
15 may not increase the number of shares under this subdivision to be greater than the  
16 total number of authorized shares of the class or series as specified in the articles of  
17 incorporation.

18 **SECTION 14.** 180.0706 (title) of the statutes is amended to read:

19 **180.0706** (title) **Waiver of and exemption from notice.**

20 **SECTION 15.** 180.0706 (3) of the statutes is created to read:

21 180.0706 (3) (a) Except as provided in par. (b), any notice required to be given  
22 by a corporation to a shareholder under this chapter is not required to be given if any  
23 of the following applies:

24 1. Notice of 2 consecutive annual meetings, and all notices of meetings during  
25 the period between these annual meetings, have been sent to the shareholder at the



1 shareholder's address as shown on the records of the corporation and have been  
2 returned as undeliverable.

3 2. All, but not less than 2, payments of dividends on securities during a  
4 one-year period, or 2 consecutive payments of dividends on securities during a period  
5 of more than one year, have been sent to the shareholder at the shareholder's address  
6 as shown on the records of the corporation and have been returned as undeliverable.

7 (b) If a shareholder to whom par. (a) applies delivers to the corporation a  
8 written notice containing the shareholder's current address, then, beginning 30 days  
9 after receipt of the notice by the corporation, the requirement that notice be given  
10 to the shareholder is reinstated, until such time as par. (a) may again apply.

11 **SECTION 16.** 180.0708 of the statutes is created to read:

12 **180.0708 Conduct of meeting.** Unless the articles of incorporation or bylaws  
13 provide otherwise, every meeting of the shareholders shall be conducted as follows:

14 (1) A chairperson shall preside over the meeting. The chairperson shall be  
15 appointed by the board of directors.

16 (2) The chairperson shall determine the order of business and the time of  
17 adjournment and may establish rules for the conduct of the meeting which the  
18 chairperson believes are fair to the interests of all shareholders.

19 (3) The chairperson shall determine and announce at the meeting the time at  
20 which the polls will close for each matter voted upon at the meeting. The polls close  
21 at the announced time, except that, if no such announcement is made, the polls close  
22 upon final adjournment of the meeting. After the polls close, no ballots, proxies, or  
23 votes or revocations or changes to ballots, proxies, or votes may be accepted.

24 **SECTION 17.** 180.0824 (3) of the statutes is amended to read:

1           180.0824 **(3)** Except as provided in ss. 180.0825 ~~(2)~~ and (3), 180.0831 (4) and  
2           180.0855 (1) and (2), if a quorum is present when a vote is taken, the affirmative vote  
3           of a majority of directors present is the act of the board of directors or a committee  
4           of the board of directors created under s. 180.0825, unless the articles of  
5           incorporation or bylaws require the vote of a greater number of directors.

6           **SECTION 18.** 180.0825 (1) of the statutes is amended to read:

7           180.0825 **(1)** Unless the articles of incorporation or bylaws provide otherwise,  
8           a board of directors may create one or more committees, appoint members of the  
9           board of directors to serve on the committees and designate other members of the  
10          board of directors to serve as alternates. Each committee shall have ~~2 or more~~  
11          members at least one member. Unless otherwise provided by the board of directors,  
12          members of the committee shall serve at the pleasure of the board of directors.

13          **SECTION 19.** 180.0825 (2) (intro.) and (b) of the statutes are consolidated,  
14          renumbered 180.0825 (2) and amended to read:

15          180.0825 **(2)** Except as provided in sub. (3), the creation of a committee,  
16          appointment of members to it, and designation of alternate members, if any, shall be  
17          approved by the ~~greater of the following:~~ ~~(b)~~ The number of directors required by the  
18          articles of incorporation or bylaws to take action under s. 180.0824 (3).

19          **SECTION 20.** 180.0825 (2) (a) of the statutes is repealed.

20          **SECTION 21.** 180.0825 (5) (a) to (h) of the statutes are repealed.

21          **SECTION 22.** 180.0825 (5) (am) and (bm) of the statutes are created to read:

22          180.0825 **(5)** (am) Approve or recommend to shareholders for approval any  
23          action or matter expressly required by this chapter to be submitted to shareholders  
24          for approval.

25          (bm) Adopt, amend, or repeal any bylaw of the corporation.

1           **SECTION 23.** 180.1103 (1) of the statutes is amended to read:

2           180.1103 (1) **SUBMIT TO SHAREHOLDERS.** After adopting and approving a plan of  
3 merger or share exchange, the board of directors of each corporation that is party to  
4 the merger, and the board of directors of the corporation whose shares will be  
5 acquired in the share exchange, shall submit the plan of merger, except as provided  
6 in sub. (5) and s. 180.11045 (2), or share exchange for approval by its shareholders.

7           **SECTION 24.** 180.1104 (1) of the statutes is amended to read:

8           180.1104 (1) A parent corporation owning at least 90% of the outstanding  
9 shares of each class of a subsidiary corporation or at least 90% of the outstanding  
10 interests of each class of any other subsidiary business entity may merge the  
11 subsidiary into the parent or the parent into the subsidiary without approval of the  
12 ~~shareholders of the parent or the shareholders or other owners of the subsidiary~~ and,  
13 if the conditions specified in s. 180.1302 (1) (a) 3. a. to d. are satisfied, without  
14 approval of the shareholders of the parent.

15           **SECTION 25.** 180.11045 of the statutes is created to read:

16           **180.11045 Merger of indirect wholly owned subsidiary or parent. (1)**

17           DEFINITIONS. In this section:

18           (a) “Holding company” means a corporation that issues shares under sub. (2)

19           (b) and that, during the period beginning with its incorporation and ending with the  
20 effective time of a merger under this section, was at all times a wholly owned  
21 subsidiary of the parent corporation that is party to the merger.

22           (b) “Indirect wholly owned subsidiary” means any of the following:

23           1. A corporation, all of the outstanding shares of each class of which are, prior  
24 to the effective time of a merger under this section, owned by a parent corporation  
25 indirectly through one or more business entities.

1           2. A limited liability company organized under ch. 183, all of the outstanding  
2 interests of each class of which are, prior to the effective time of a merger under this  
3 section, owned by a parent corporation indirectly through one or more business  
4 entities.

5           (c) “Organizational documents” means, when used in reference to a  
6 corporation, the corporation’s articles of incorporation and bylaws and, when used  
7 in reference to a limited liability company, the limited liability company’s operating  
8 agreement and articles of organization.

9           (d) “Parent corporation” means a corporation owning, prior to the effective time  
10 of a merger under this section, all of the outstanding shares of each class of another  
11 corporation or all of the outstanding interests of each class of another business entity.

12           (e) “Surviving entity” means the limited liability company or corporation, other  
13 than the holding company, surviving a merger under sub. (2).

14           (f) “Wholly owned subsidiary” means any of the following:

15           1. A corporation, all of the outstanding shares of each class of which are owned  
16 by a corporation indirectly through one or more business entities or directly.

17           2. A limited liability company organized under ch. 183, all of the outstanding  
18 interests of each class of which are owned by a corporation indirectly through one or  
19 more business entities or directly.

20           **(2) MERGER AUTHORIZED.** Unless the articles of incorporation of the parent  
21 corporation specifically provide otherwise, or the parent corporation is a statutory  
22 close corporation under ss. 180.1801 to 180.1837, a parent corporation may merge  
23 with or into one of its indirect wholly owned subsidiaries pursuant to s. 180.1101  
24 without approval of the shareholders of the parent corporation or the shareholders

1 or members of the indirect wholly owned subsidiary if all of the following conditions  
2 are satisfied:

3 (a) The parent corporation and the indirect wholly owned subsidiary are the  
4 only parties to the merger.

5 (b) Each share or other interest of the parent corporation outstanding  
6 immediately prior to the effective time of the merger is converted in the merger into  
7 a share or equal interest of a corporation that was a wholly owned subsidiary of the  
8 parent corporation immediately prior to the effective time of the merger having the  
9 same designation, preferences, limitations, and relative rights as the share or other  
10 interest of the parent corporation outstanding immediately prior to the effective time  
11 of the merger.

12 (c) Except as otherwise provided in this paragraph, immediately following the  
13 effective time of the merger, the organizational documents of the holding company  
14 issuing shares in the merger pursuant to sub. (2) (b) contain provisions identical to  
15 the organizational documents of the parent corporation immediately prior to the  
16 effective time of the merger. This requirement does not apply to provisions regarding  
17 the incorporator or incorporators, the corporate name, the registered office and  
18 agent, and provisions that are subject to amendment under s. 180.1002. To the  
19 extent that the 2nd sentence of s. 180.0852 applied to the parent corporation  
20 immediately prior to the effective time of the merger, the organizational documents  
21 of the holding company immediately following the effective time of the merger shall  
22 contain provisions implementing that sentence. If s. 180.1706 (2) and (3) applies to  
23 the parent corporation, pursuant to s. 180.1706 (1), immediately prior to the effective  
24 time of the merger, the articles of incorporation of the holding company immediately

1 following the effective time of the merger shall contain provisions implementing s.  
2 180.1706 (2) and (3).

3 (d) Immediately following the effective time of the merger, the surviving entity  
4 is a wholly owned subsidiary of the holding company.

5 (e) The directors of the parent corporation immediately prior to the effective  
6 time of the merger are the directors of the holding company immediately following  
7 the effective time of the merger.

8 (f) Except as otherwise provided in this paragraph, the organizational  
9 documents of the surviving entity immediately following the effective time of the  
10 merger contain provisions identical to the organizational documents of the parent  
11 corporation immediately prior to the effective time of the merger. With respect to a  
12 surviving entity that is a corporation, this requirement does not apply to provisions  
13 regarding the incorporator or incorporators; the corporate name; the registered office  
14 and agent; or provisions that are subject to amendment under s. 180.1002 or any  
15 other law permitting amendment of the articles of incorporation without approval  
16 of the shareholders. With respect to a surviving entity that is a limited liability  
17 company, this requirement does not apply to provisions regarding the organizer or  
18 organizers; the entity name; the registered office and agent; references to members  
19 rather than shareholders; references to interests, units, or similar terms rather than  
20 shares; references to managers rather than directors; or provisions that are subject  
21 to amendment under any law permitting amendment of the operating agreement  
22 without approval of the members. The organizational documents of the surviving  
23 entity immediately following the effective time of the merger may specify a reduced  
24 number of classes and shares or other interests that the surviving entity is  
25 authorized to issue. To the extent that the 2nd sentence of s. 180.0852 applied to the

1 parent corporation immediately prior to the effective time of the merger, the  
2 organizational documents of the surviving entity immediately following the effective  
3 time of the merger shall contain provisions implementing that sentence. If s.  
4 180.1706 (2) and (3) applies to the parent corporation, pursuant to s. 180.1706 (1),  
5 immediately prior to the effective time of the merger, the organizational documents  
6 of the surviving entity immediately following the effective time of the merger shall  
7 contain provisions implementing s. 180.1706 (2) and (3). The organizational  
8 documents of the surviving entity immediately following the effective time of the  
9 merger shall contain provisions that specifically refer to this paragraph and that  
10 require all of the following:

11 1. Any act, other than the election or removal of directors or managers of the  
12 surviving entity, for which approval of the shareholders or members of the surviving  
13 entity is required under this chapter, ch. 183, or the surviving entity's organizational  
14 documents may be accomplished only with the additional approval of the  
15 shareholders of the holding company or any successor to the holding company, by the  
16 same vote as is required for approval of the shareholders or members of the surviving  
17 entity under this chapter, ch. 183, or the surviving entity's organizational  
18 documents.

19 2. If the surviving entity is a limited liability company, any act, other than the  
20 election or removal of managers of the surviving entity, for which approval of the  
21 shareholders of the surviving entity would be required under this chapter if the  
22 surviving entity were a corporation may be accomplished only with the additional  
23 approval of the shareholders of the holding company or any successor to the holding  
24 company, by the same vote as would be required for approval of the shareholders  
25 under this chapter if the surviving entity were a corporation.

1           3. If the surviving entity is a limited liability company, any amendment of the  
2 organizational documents of the surviving entity that would be required under this  
3 chapter to be included in the articles of incorporation of the surviving entity if the  
4 surviving entity were a corporation, other than an amendment specified in s.  
5 180.1002, may be accomplished only with the additional approval of the  
6 shareholders of the holding company or any successor to the holding company, by the  
7 same vote as would be required for approval of the shareholders under this chapter  
8 if the surviving entity were a corporation.

9           4. If the surviving entity is a limited liability company, the affairs of the  
10 surviving entity are managed by or under the direction of a group of managers  
11 consisting of individuals who have the same fiduciary duties toward the surviving  
12 entity and its members as the directors of a corporation have toward the corporation  
13 and its shareholders and who are liable for breach of their duties to the same extent  
14 as directors of a corporation.

15           (g) In the opinion of the board of directors of the parent corporation, the  
16 shareholders of the parent corporation do not have a gain or loss under the Internal  
17 Revenue Code as a result of the merger.

18           **(3) ARTICLES OF MERGER.** The surviving entity shall include in the articles of  
19 merger under s. 180.1105 a statement that the merger was approved in accordance  
20 with this section and that the requirements of sub. (2) have been satisfied.

21           **(4) EFFECT OF MERGER.** All of the following occur when a merger under sub. (2)  
22 takes effect:

23           (a) To the extent that the restrictions of s. 180.1131, 180.1141, or 180.1150  
24 applied to the parent corporation and its shareholders immediately prior to the  
25 effective time of the merger, the restrictions apply to the holding company and its



1 shareholders immediately following the effective time of the merger to the same  
2 extent as if the holding company were the parent corporation as the corporation  
3 existed immediately prior to the effective time of the merger. For purposes of ss.  
4 180.1130, 180.1132, 180.1141, 180.1142, 180.1143, and 180.1150, the shares of the  
5 holding company acquired in the merger are deemed to have been acquired at the  
6 time and for the price and form of consideration that the shares of the parent  
7 corporation that were converted in the merger were acquired.

8 (b) If immediately prior to the effective time of the merger s. 180.1141,  
9 180.1142, or 180.1150 did not apply to a shareholder of the parent corporation, the  
10 section does not apply to the shareholder as a shareholder of the holding company  
11 solely by reason of the merger.

12 (c) If the corporate name of the holding company immediately following the  
13 effective time of the merger is the same as the corporate name of the parent  
14 corporation immediately prior to the effective time of the merger, the shares of the  
15 holding company into which the shares of the parent corporation are converted in the  
16 merger are represented by the certificates that previously represented shares of the  
17 parent corporation.

18 (d) A shareholder of the parent corporation immediately prior to the effective  
19 time of the merger retains any right that the shareholder had immediately prior to  
20 the effective time of the merger to institute or maintain a derivative proceeding in  
21 the right of the parent corporation.

22 (e) No act of the surviving entity that requires the additional approval of the  
23 shareholders of the holding company or any successor company pursuant to sub. (2)

24 (f) shall give rise to dissenters' rights under ss. 180.1301 to 180.1331 for the

1 shareholders or the beneficial shareholders of the holding company or any successor  
2 to the holding company.

3 (f) To the extent that shares of the parent corporation immediately prior to the  
4 effective time of the merger constituted shares of a preexisting class, the shares of  
5 the holding company immediately following the effective time of the merger  
6 constitute shares of a preexisting class to the same extent as if the holding company  
7 were the parent corporation as the parent corporation existed immediately prior to  
8 the effective time of the merger. Shares or interests of the surviving entity do not  
9 constitute shares of a preexisting class for purposes of s. 180.1705. For purposes of  
10 s. 180.1707, to the extent that shares of the parent corporation immediately prior to  
11 the effective time of the merger constituted shares of a preexisting class, the shares  
12 or interests of the surviving entity constitute shares of a preexisting class to the same  
13 extent as if the surviving entity were the parent corporation as the parent  
14 corporation existed immediately prior to the effective time of the merger.

15 (g) To the extent that the provisions of s. 180.1706 (4) applied to the parent  
16 corporation immediately prior to the effective time of the merger, the provisions  
17 apply to the holding company immediately following the effective time of the merger  
18 to the same extent as if the holding company were the parent corporation as the  
19 corporation existed immediately prior to the effective time of the merger. To the  
20 extent that the provisions of s. 180.1706 (4) applied to the parent corporation  
21 immediately prior to the effective time of the merger, if the surviving entity is a  
22 corporation, the provisions apply to the surviving entity immediately following the  
23 effective time of the merger to the same extent as if the surviving entity were the  
24 parent corporation as the corporation existed immediately prior to the effective time  
25 of the merger. To the extent that the provisions of s. 180.1706 (4) applied to the parent

1 corporation immediately prior to the effective time of the merger, if the surviving  
2 entity is a limited liability company, the provisions apply to the corresponding  
3 provisions of the organizational documents of the surviving entity immediately  
4 following the effective time of the merger to the same extent as if the surviving entity  
5 were the parent corporation as the corporation existed immediately prior to the  
6 effective time of the merger.

7 (h) To the extent that immediately prior to the effective time of the merger  
8 shareholders of the parent corporation had rights or were subject to obligations or  
9 restrictions of the types referred to in s. 180.0627 (2), 180.0630 (4), 180.0722 (2),  
10 180.0730 (1), or 180.0731 (1), the rights, obligations, or restrictions apply to the  
11 shareholders of the holding company immediately following the effective time of the  
12 merger to the same extent as if the holding company were the parent corporation as  
13 the corporation existed immediately prior to the effective time of the merger, unless  
14 the agreement, waiver, proxy, or trust establishing the rights, obligations, or  
15 restrictions specifies otherwise.

16 **SECTION 26.** 180.1105 (1) (a) and (b) of the statutes are repealed.

17 **SECTION 27.** 180.1105 (1) (bm), (cm), (dm) and (e) to (h) of the statutes are  
18 created to read:

19 180.1105 (1) (bm) The name and state of incorporation of each corporation that  
20 is a party to the merger or share exchange.

21 (cm) A statement that a plan of merger or share exchange has been approved  
22 and adopted by each corporation that is a party to the merger or share exchange as  
23 required under s. 180.1103 or 180.1104, as applicable.

24 (dm) The name of the surviving or acquiring corporation.

1 (e) In the case of a merger, any amendments in the articles of incorporation of  
2 the surviving corporation that are intended by the parties to the merger to take effect  
3 upon the merger or, if there are no such amendments, a statement that the articles  
4 of incorporation of the surviving corporation or another corporation that is a party  
5 to the merger will be the articles of incorporation of the surviving corporation.

6 (f) A statement that the executed plan of merger or share exchange is on file  
7 at the principal place of business of the surviving or acquiring corporation.

8 (g) A statement that the surviving or acquiring corporation will provide a copy  
9 of the plan of merger or share exchange, upon request and without cost, to any  
10 shareholder of a corporation that was a party to the merger or share exchange or,  
11 upon payment to the surviving or acquiring corporation of an amount equal to the  
12 cost of producing the copy, to any other interested person.

13 (h) In the case of a merger, a statement indicating whether a business entity  
14 that merged with or into the surviving entity in the merger has a fee simple  
15 ownership interest in any Wisconsin real estate.

16 **SECTION 28.** 180.1105 (1) (c) and (d) of the statutes are renumbered 180.1105  
17 (1) (am) and (i).

18 **SECTION 29.** 180.1106 (1) (b) of the statutes is amended to read:

19 180.1106 (1) (b) The title to all property owned by each business entity that is  
20 party to the merger is vested in the surviving business entity without reversion or  
21 impairment, ~~provided that, if a merging business entity has an interest in real estate~~  
22 ~~in Wisconsin on the date of the merger, the merging business entity shall transfer~~  
23 ~~that interest to the business entity surviving the merger and shall execute any real~~  
24 ~~estate transfer return required under s. 77.22. The business entity surviving the~~

1 merger shall promptly record the instrument of conveyance under s. 59.43 in the  
2 office of the register of deeds for each county in which the real estate is located.

3 **SECTION 30.** 180.1130 (3) (a) (intro.) of the statutes is amended to read:

4 180.1130 (3) (a) (intro.) Unless the merger or share exchange is subject to s.  
5 180.1104 or s. 180.11045, does not alter the contract rights of the shares as set forth  
6 in the articles of incorporation or does not change or convert in whole or in part the  
7 outstanding shares of the resident domestic corporation, a merger or share exchange  
8 of the resident domestic corporation or a subsidiary of the resident domestic  
9 corporation with any of the following:

10 **SECTION 31.** 180.1130 (14) of the statutes is repealed and recreated to read:

11 180.1130 (14) “Valuation date” means the time when the closing price of the  
12 stock is determined on the day before the first public announcement of the proposed  
13 business combination.

14 **SECTION 32.** 180.1140 (11) of the statutes is amended to read:

15 180.1140 (11) “Stock acquisition date”, with respect to any person, means the  
16 ~~date that~~ time when that person first becomes an interested stockholder of that  
17 resident domestic corporation.

18 **SECTION 33.** 180.1150 (2) of the statutes is amended to read:

19 180.1150 (2) Unless otherwise provided in the articles of incorporation of a  
20 resident domestic corporation or otherwise specified by the board of directors of the  
21 resident domestic corporation in accordance with s. 180.0824 (3), and except as  
22 provided in sub. (3) or as restored under sub. (5), the voting power of shares of a  
23 resident domestic corporation held by any person, including shares issuable upon  
24 conversion of convertible securities or upon exercise of options or warrants, in excess

1 of 20% of the voting power in the election of directors shall be limited to 10% of the  
2 full voting power of those shares.

3 **SECTION 34.** 180.1161 (4) (c) of the statutes is amended to read:

4 180.1161 (4) (c) The business entity continues to be vested with title to all  
5 property owned by the business entity that was converted without reversion or  
6 impairment, ~~provided that, if the converting business entity has an interest in real~~  
7 ~~estate in Wisconsin on the date of the conversion, the converting business entity shall~~  
8 ~~transfer that interest to the business entity surviving the conversion and shall~~  
9 ~~execute any real estate transfer return required under s. 77.22. The business entity~~  
10 ~~surviving the conversion shall promptly record the instrument of conveyance under~~  
11 ~~s. 59.43 in the office of the register of deeds for each county in which the real estate~~  
12 ~~is located.~~

13 **SECTION 35.** 180.1161 (5) (bm) of the statutes is created to read:

14 180.1161 (5) (bm) A statement indicating whether the business entity that is  
15 to be converted has a fee simple ownership interest in any Wisconsin real estate.

16 **SECTION 36.** 180.1201 (title) of the statutes is amended to read:

17 **180.1201 (title) Sale of assets in regular course of business; mortgage**  
18 **of assets; transfer of assets to subsidiary.**

19 **SECTION 37.** 180.1201 (1) (d) of the statutes is created to read:

20 180.1201 (1) (d) Transfer any or all of its assets to one or more corporations or  
21 other entities, all of the shares or interests of which are owned by the corporation,  
22 unless the transfer is in connection with a plan or action involving the sale, exchange,  
23 or disposal of all or substantially all of the assets of the corporation and requires  
24 shareholder approval under s. 180.1202.

25 **SECTION 38.** 180.1201 (2) of the statutes is amended to read:

1           180.1201 **(2)** Unless required by the articles of incorporation, approval by the  
2 shareholders of a transaction ~~described~~ permitted in sub. (1) is not required.

3           **SECTION 39.** 180.1302 (1) (a) 3. of the statutes is created to read:

4           180.1302 **(1)** (a) 3. The issuer corporation is a parent that is merged with its  
5 subsidiary under s. 180.1104. This subdivision does not apply if all of the following  
6 are true:

7           a. The articles of incorporation of the surviving corporation do not differ from  
8 the articles of incorporation of the parent before the merger, except for amendments  
9 specified in s. 180.1002 (1) to (9).

10          b. Each shareholder of the parent whose shares were outstanding immediately  
11 before the effective time of the merger holds the same number of shares with  
12 identical designations, preferences, limitations, and relative rights, immediately  
13 after the merger.

14          c. The number of voting shares, as defined in s. 180.1103 (5) (a) 2., outstanding  
15 immediately after the merger, plus the number of voting shares issuable as a result  
16 of the merger, either by the conversion of securities issued pursuant to the merger  
17 or the exercise of rights or warrants issued pursuant to the merger, do not exceed by  
18 more than 20 percent the total number of voting shares of the parent outstanding  
19 immediately before the merger.

20          d. The number of participating shares, as defined in s. 180.1103 (5) (a) 1.,  
21 outstanding immediately after the merger, plus the number of participating shares  
22 issuable as a result of the merger, either by the conversion of securities issued  
23 pursuant to the merger or the exercise of rights or warrants issued pursuant to the  
24 merger, do not exceed by more than 20 percent the total number of participating  
25 shares of the parent outstanding immediately before the merger.

1           **SECTION 40.** 180.1302 (4) of the statutes is amended to read:

2           180.1302 (4) ~~Except in a business combination or unless~~ Unless the articles of  
3 incorporation provide otherwise, subs. (1) and (2) do not apply to the holders of shares  
4 of any class or series if the shares of the class or series are registered on a national  
5 securities exchange or quoted on the National Association of Securities Dealers, Inc.,  
6 automated quotations system on the record date fixed to determine the shareholders  
7 entitled to notice of a shareholders meeting at which shareholders are to vote on the  
8 proposed corporate action.

9           **SECTION 41.** 181.0121 (1) (a) 4. of the statutes is amended to read:

10           181.0121 (1) (a) 4. An application for a certificate of conversion under s.  
11 181.1161 (5). The form prescribed under this subdivision shall indicate that if the  
12 business entity that is to be converted has a fee simple ownership interest in  
13 Wisconsin real estate, the entity is required to file a report with the department of  
14 revenue under s. 73.14.

15           **SECTION 42.** 181.0121 (2) of the statutes is amended to read:

16           181.0121 (2) PERMISSIVE FORMS. The department may prescribe and furnish on  
17 request forms for other documents required or permitted to be filed by this chapter,  
18 but use of these forms is not mandatory. If the department prescribes a form for  
19 articles of merger under s. 181.1105, the form shall indicate that if a business entity  
20 that is acquired in the merger has a fee simple ownership interest in Wisconsin real  
21 estate, the business entity that survives the merger is required to file a report with  
22 the department of revenue under s. 73.14.

23           **SECTION 42m.** 181.0502 (3) of the statutes is amended to read:

24           181.0502 (3) REGISTERED AGENT CHANGE OF ADDRESS. If the name of a registered  
25 agent changes or if the street address of ~~his or her~~ a registered agent's business office,



1 ~~he or she changes, the registered agent may change the name of the registered agent~~  
2 ~~or street address of the registered office of any corporation for which he or she, or it~~  
3 ~~is the registered agent by notifying. To make a change under this subsection, the~~  
4 ~~registered agent shall notify~~ the corporation in writing of the change and ~~by signing,~~  
5 ~~either manually or in facsimile, and delivering deliver~~ to the department for filing  
6 a signed statement that complies with sub. (2) and recites that the corporation has  
7 been notified of the change.

8 **SECTION 43.** 181.1105 (1m) of the statutes is created to read:

9 **181.1105 (1m)** STATEMENT AS TO PROPERTY OWNED BY NONSURVIVING ENTITY. A  
10 statement indicating whether a business entity that merged with or into the  
11 surviving entity in the merger has a fee simple ownership interest in any Wisconsin  
12 real estate.

13 **SECTION 44.** 181.1106 (2) of the statutes is amended to read:

14 **181.1106 (2)** TITLE TO PROPERTY. The title to all real estate and other property  
15 owned by each business entity that is a party to the merger is vested in the surviving  
16 business entity without reversion or impairment subject to any conditions to which  
17 the property was subject before the merger, ~~provided that, if a merging business~~  
18 ~~entity has an interest in real estate in Wisconsin on the date of the merger, the~~  
19 ~~merging business entity shall transfer that interest to the business entity surviving~~  
20 ~~the merger and shall execute any real estate transfer return required under s. 77.22.~~  
21 ~~The business entity surviving the merger shall promptly record the instrument of~~  
22 ~~conveyance under s. 59.43 in the office of the register of deeds for each county in~~  
23 ~~which the real estate is located.~~

24 **SECTION 45.** 181.1161 (4) (c) of the statutes is amended to read:

1           181.1161 (4) (c) The business entity continues to be vested with title to all  
2 property owned by the business entity that was converted without reversion or  
3 impairment, ~~provided that, if the converting business entity has an interest in real~~  
4 ~~estate in Wisconsin on the date of the conversion, the converting business entity shall~~  
5 ~~transfer that interest to the business entity surviving the conversion and shall~~  
6 ~~execute any real estate transfer return required under s. 77.22. The business entity~~  
7 ~~surviving the conversion shall promptly record the instrument of conveyance under~~  
8 ~~s. 59.43 in the office of the register of deeds for each county in which the real estate~~  
9 ~~is located.~~

10           **SECTION 46.** 181.1161 (5) (bm) of the statutes is created to read:

11           181.1161 (5) (bm) A statement indicating whether the business entity that is  
12 to be converted has a fee simple ownership interest in any Wisconsin real estate.

13           **SECTION 47.** 182.01 (title) of the statutes is amended to read:

14           **182.01 (title) Business formation records; other duties of department**  
15 **of financial institutions.**

16           **SECTION 48.** 182.01 (7) of the statutes is created to read:

17           182.01 (7) REPORTS TO DEPARTMENT OF REVENUE; BUSINESS COMBINATIONS. The  
18 department of financial institutions shall quarterly deliver to the department of  
19 revenue, in a form specified by the department of revenue, a report identifying  
20 mergers and conversions of business entities for which articles of merger and  
21 certificates of conversion have been filed with the department of financial  
22 institutions indicating that an entity acquired in the merger or an entity converted  
23 in the conversion had a fee simple ownership interest in any Wisconsin real estate.

24           **SECTION 48m.** 183.0105 (4) of the statutes is amended to read:

1           183.0105 (4) If the name of a registered agent changes or if the street address  
2 of the a registered agent's business office changes, the registered agent may change  
3 the name of the registered agent or street address of the registered office of any  
4 limited liability company for which that person is the registered agent ~~by notifying.~~  
5 To make a change under this subsection, the registered agent shall notify the limited  
6 liability company in writing of the change and ~~by signing, either manually or in~~  
7 ~~facsimile, and delivering~~ deliver to the department for filing a signed statement that  
8 complies with sub. (3) and recites that the limited liability company has been notified  
9 of the change.

10           **SECTION 49.** 183.0109 (1) (a) 5. of the statutes is amended to read:

11           183.0109 (1) (a) 5. An application for a certificate of conversion under s.  
12 183.1207 (5). The form prescribed under this subdivision shall indicate that if the  
13 business entity that is to be converted has a fee simple ownership interest in  
14 Wisconsin real estate, the entity is required to file a report with the department of  
15 revenue under s. 73.14.

16           **SECTION 50.** 183.0109 (2) of the statutes is amended to read:

17           183.0109 (2) The department may prescribe, and furnish on request, forms for  
18 other documents required or permitted to be filed by this chapter, but use of these  
19 forms is not mandatory. If the department prescribes a form for articles of merger  
20 under s. 183.1204, the form shall indicate that if a business entity that is acquired  
21 in the merger has a fee simple ownership interest in Wisconsin real estate, the  
22 business entity that survives the merger is required to file a report with the  
23 department of revenue under s. 73.14.

24           **SECTION 51.** 183.1202 (1) of the statutes is amended to read:

1           183.1202 (1) Unless otherwise provided in an operating agreement and except  
2 as provided in s. 180.11045 (2), a limited liability company that is a party to a  
3 proposed merger shall approve the plan of merger by an affirmative vote of members  
4 as described in s. 183.0404 (1) (a). Unless otherwise provided in an operating  
5 agreement or waived by the members, a limited liability company may obtain the  
6 approving vote of its members only after providing the members with not less than  
7 10 nor more than 50 days' written notice of its intent to merge accompanied by the  
8 plan of merger.

9           **SECTION 52.** 183.1204 (1) (cm) of the statutes is created to read:

10           183.1204 (1) (cm) A statement indicating whether a business entity that  
11 merged with or into the surviving entity in the merger has a fee simple ownership  
12 interest in any Wisconsin real estate.

13           **SECTION 53.** 183.1205 (2) of the statutes is amended to read:

14           183.1205 (2) The title to all property owned by each business entity that is a  
15 party to the merger is vested in the surviving business entity without reversion or  
16 impairment, ~~provided that, if a merging business entity has an interest in real estate~~  
17 ~~in Wisconsin on the date of the merger, the merging business entity shall transfer~~  
18 ~~that interest to the business entity surviving the merger and shall execute any real~~  
19 ~~estate transfer return required under s. 77.22. The business entity surviving the~~  
20 ~~merger shall promptly record the instrument of conveyance under s. 59.43 in the~~  
21 ~~office of the register of deeds for each county in which the real estate is located.~~

22           **SECTION 54.** 183.1207 (4) (c) of the statutes is amended to read:

23           183.1207 (4) (c) The business entity continues to be vested with title to all  
24 property owned by the business entity that was converted without reversion or  
25 impairment, ~~provided that, if the converting business entity has an interest in real~~

