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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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**2009 Senate Bill 604**

**Senate 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 Senate Bill 604** specifies the definition of “political subdivision of a state” for purposes of ch. 551, Stats., the Wisconsin Uniform Securities Law. Under Senate Bill 604, “political subdivision of a state” would mean, with respect to Wisconsin, a city, village, town, or county.

Accordingly, Senate Bill 604 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.

**Senate Amendment 1 to Senate Bill 604** 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**

On April 8, 2010, the Senate Committee on Ethics Reform and Government Operations adopted Senate Amendment 1 to Senate Bill 604 and recommended passage of the bill, as amended, both on votes of Ayes, 1; Noes, 0.

SG:ksm