



Senate Bills 700, 702, 703, 706, 707, 710, and 712 (as reported without amendment)  
House Bills 4683, 4684, 4686, 4687, 4695, and 4696 (as reported without amendment)

Sponsor: Senator Alan L. Cropsey (S.B. 700)  
Senator Randy Richardville (S.B. 701)  
Senator Roger Kahn, M.D. (S.B. 703)  
Senator Dennis Olshove (S.B. 706)  
Senator Buzz Thomas (S.B. 707)  
Senator Wayne Kuipers (S.B. 710)  
Senator Patricia L. Birkholz (S.B. 712)  
Representative Roy Schmidt (H.B. 4683)  
Representative David Nathan (H.B. 4684)  
Representative Goeff Hansen (H.B. 4686)  
Representative Tonya Schuitmaker (H.B. 4687)  
Representative Ed Clemente (H.B. 4695)  
Representative Andy Coulouris (H.B. 4696)

Senate Committee: Banking and Financial Institutions

House Committee: Commerce (H.B. 4683, 4684, 4686, 4687, 4695 & 4696)

## **CONTENT**

The bills would amend different statutes to refer to the Uniform Securities Act (2002) in provisions that currently refer to the Uniform Securities Act (USA). (Public Act 551 of 2008 repeals the USA, replacing it with the Uniform Securities Act (2002), as of October 1, 2009.)

Senate Bill 700 would amend the Michigan Consumer Protection Act to permit the Director of the Department of Energy, Labor, and Economic Growth to investigate a person subject to the Uniform Securities Act (2002) for violating the Consumer Protection Act.

Senate Bill 701 would amend Public Act 227 of 1971, which regulates the home solicitation sales of goods and services of more than \$25, to exclude from the definition of "goods and services" a sale of a security that is subject to the Uniform Securities Act (2002).

Senate Bill 703 would amend a provision of the Nonprofit Corporation Act that permits a cooperative to offer to its members or to the general public any form of nonvoting investment certificate or bond that may bear interest or dividends, subject to the USA. Under the bill, that provision also would be subject to the Uniform Securities Act (2002).

Senate Bill 706 would amend a provision of the Savings and Loan Act that permits an association to provide brokerage services for the sale or purchase of securities. Under the bill, "securities" would mean that term as defined in a section of the Uniform Securities Act (2002), rather than a section of the USA. The bill would take effect on October 1, 2009.

Senate Bill 707 would amend the Michigan Education Trust Act to exempt an advance tuition contract from the Uniform Securities Act (2002).

Senate Bill 710 would amend the Credit Services Protection Act to exclude from the definition of "credit services organization" an investment adviser or broker-dealer registered under the Uniform Securities Act (2002).

Senate Bill 712 would amend the Natural Resources and Environmental Protection Act to provide that a bond or note of the Michigan Underground Storage Tank Financial Assurance Authority would not have to be filed under the Uniform Securities Act (2002).

House Bill 4683 would amend the Professional Service Corporation Act (PSCA) to indicate that the Uniform Securities Act (2002) would not apply to the issuance or transfer by a corporation organized under the PSCA of securities issued to the corporation.

House Bill 4684 would amend the Michigan Export Development Act to provide that a filing of a bond of the Michigan Export Development Authority would not be required under the Uniform Securities Act (2002).

House Bill 4686 would amend the Michigan Penal Code to include in the definition of "racketeering" a violation of Section 508 of the Uniform Securities Act (2002), and to include a violation of that Act as a "specified criminal offense".

House Bill 4687 would amend Chapter 47 of the Revised Judicature Act (which provides for the seizure and forfeiture of the proceeds or instrumentality of a crime) to include in the definition of "crime" a violation described in Section 508 of the Uniform Securities Act (2002).

House Bill 4695 would amend the Public Employee Retirement System Investment Act. Under the Act, an investment fiduciary who renders investment advice for a retirement system for a fee or other compensation must be a bank, a qualified insurance company, or a registered investment adviser under the Investment Advisers Act or the Uniform Securities Act. The bill also would refer to the Uniform Securities Act (2002).

House Bill 4696 would amend the Michigan Strategic Fund (MSF) Act to provide that a filing of a bond or note of MSF would not be required under the Uniform Securities Act (2002).

MCL 445.920 (S.B. 700)

445.111 (S.B. 701)

450.3137 (S.B. 703)

491.515 (S.B. 706)

390.1439 (S.B. 707)

445.1822 (S.B. 710)

324.21528 & 324.50510 (S.B. 712)

450.228 (H.B. 4683)

447.160 (H.B. 4684)

750.159g & 750.411j (H.B. 4686)

600.4701 (H.B. 4687)

38.1133 (H.B. 4695)

125.2023 (H.B. 4696)

Legislative Analyst: Curtis Walker

## **FISCAL IMPACT**

Senate Bills 700, 701, 703, 706, 707, 710, and 712 and House Bills 4683, 4684, 4687, 4695 and 4696 would have no fiscal impact on State or local government.

House Bill 4686 would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many offenders will be convicted of violating Section 508 of the Uniform Securities Act (2002). If the bill led to additional convictions of racketeering offenses, local governments would incur the costs of incarceration in local facilities, which vary by county. The State would incur the cost of felony probation at an annual average cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$32,000. Additional penal fine revenue would benefit public libraries.

Date Completed: 8-5-09

Fiscal Analyst: Lindsay Hollander  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.