

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5763 (Substitute H-1 as reported without amendment)
Sponsor: Representative Andrew Richner
House Committee: Family and Civil Law
Senate Committee: Financial Services

CONTENT

The bill would amend the Uniform Securities Act to revise the regulation of, and registration requirements for investment advisers; require Federally covered advisers to file a notice and pay a fee to provide service; include Canadian companies in the Act's provisions for security offerings by small companies; establish renewal fees of a notice filing; and eliminate references to commodity and commodity contracts.

Unless waived by the administrator (the Office of Financial and Insurance Services), an investment adviser registered or required to be registered under the Act would have to furnish each advisory client and prospective advisory client with a written disclosure statement in a form established by the administrator by rule or order.

Before conducting business in this State, a Federally covered adviser would have to file with the administrator or through the investment adviser registration depository, a complete and current copy of the adviser's form as filed with the Securities and Exchange Commission (SEC). A notice filing would have to be accompanied by a consent to service of process and a \$150 fee. A Federally covered adviser who acquired a business of an investment adviser or another Federally covered adviser, or an investment adviser who acquired a business of a Federally covered adviser, would have to make a notice filing.

Any security issued by an investment company, other than a unit investment trust, could be offered for sale and sold into, from, or within the State by the administrator upon receiving a notice, payment of a \$500 fee, and a consent to service of process. A notice filing would be effective for one year, could be renewed for an additional one-year period, and could be terminated by a filing with the administrator.

MCL 451.501 et al.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-8-00

Fiscal Analyst: M. Tyszkiewicz

floor/hb5763 (H-1)

Analysis available @ <http://www.michiganlegislature.org>

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