

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: SB1220

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Obenshain

3. Committee: Commerce and Labor

4. Title: **Securities Act; sale of business doctrine.**

5. Summary: Securities Act; sale of business doctrine. Exempts transfers of securities in connection with a sale of business transaction from the provision of the Securities Act that imposes civil liability on sellers of certain securities. The measure provides that a "security" does not include an instrument representing an ownership interest in an entity when all of, or a controlling interest in, the entity is transferred in a sale of business transaction, regardless of whether the interest bears the characteristics typically associated with stock or other securities. A sale of business transaction is defined as a transfer of all of, or a controlling interest in, the ownership interests of an entity incident to the sale of a commercial venture to a purchaser who will manage or direct the management of the commercial venture and who does not acquire the commercial venture's ownership interests primarily as an investment in a common venture premised on a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others.

6. Fiscal Impact Estimates: None.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: None.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission and its Securities and Retail Franchising Division

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/21/2009 D. Gouldin
cc: Secretary of Commerce and Trade