



CONNECT DISCOVER GROW  
AUGUST 19-22, 2014

## Crowdfunding: Simplifying the Investment Process

Communications, Financial Services & Interstate Commerce Committee

Tuesday, Aug. 19, 2014

3:00 p.m. – 4:00 p.m.

### 2013 Legislation on Crowdfunding Securities Exemptions

*Enactments noted in italics*

#### Arkansas

S.B. 665

*Signed by governor 3/21/13, Act 460*

<http://www.arkleg.state.ar.us/assembly/2013/2013R/Acts/Act460.pdf>

Amends various state securities laws; provides that a person is liable to a buyer of a security if the person sells the security in violation of a rule or order of the Securities Commissioner or through fraud; provides that the buyer may recover costs and damages. provides liability for a person that directly or indirectly receives consideration for providing investment advice to another party; establishes concurrent registration with a broker-dealer, issuer or investment adviser.

#### Maryland

H.B. 1278

<http://mgaleg.maryland.gov/2013RS/bills/hb/hb1278F.pdf>

Prohibits the Securities commissioner of the Division of Securities from issuing any orders or adopting any rules, forms, or regulations regarding issuers, securities, and funding portals that are regulated under a specified federal law concerning a means of raising capital known as "crowdfunding"; and specifies that any issuer, security, or funding portal that is regulated under the federal Act and is in compliance with the federal Act is deemed to be in compliance with specified provisions of state law.

#### Michigan

H.B. 4996

*Signed by governor 12/26/13, Public Act 264*

<http://www.legislature.mi.gov/documents/2013-2014/publicact/pdf/2013-PA-0264.pdf>

Amends the Uniform Securities Act; creates an exemption from registration of institutional securities issued by Michigan companies; relates to nonissuer transactions by a broker-dealer, employee pensions and reporting requirements to the administrator and to investors upon request; relates to disclosure documents; requires notice of receipt of payments; relates to accredited investors; provides exceptions for intrastate offerings; requires proof of residency; requires a place of business in the state.

## Minnesota

H.F. 1243

*Signed by governor 5/24/13, Chapter 106*

<https://www.revisor.mn.gov/laws/?year=2013&type=0&doctype=Chapter&id=106>

S.F. 1376

*Indefinitely postponed 4/16/14*

[https://www.revisor.mn.gov/bills/text.php?number=SF1376&version=1&session=ls88&session\\_year=2013&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF1376&version=1&session=ls88&session_year=2013&session_number=0)

Modifies securities registration and franchise registration provisions; relates to private funds of investment companies, affiliates, private funds advisers, venture capital funds and funding portals; relates to denial, suspension and revocation of securities registration; relates to terms of securities offerings that are unfair and inequitable; relates to state filing notice requirements and treatment of records; relates to withdrawal of public offering statements; provides for electronic filing.

## New Jersey

A.B. 4523

[http://www.njleg.state.nj.us/2012/Bills/A5000/4523\\_IL.HTM](http://www.njleg.state.nj.us/2012/Bills/A5000/4523_IL.HTM)

S.B. 3008

[http://www.njleg.state.nj.us/2012/Bills/S3500/3008\\_IL.HTM](http://www.njleg.state.nj.us/2012/Bills/S3500/3008_IL.HTM)

Provides certain issuers of securities with exemption from registration.

A.R. 179

[http://www.njleg.state.nj.us/2012/Bills/AR/179\\_IL.HTM](http://www.njleg.state.nj.us/2012/Bills/AR/179_IL.HTM)

Urges the federal Securities and Exchange Commission to promulgate regulations implementing provisions concerning crowdfunding in the “Jumpstart Our Business Startups Act.”

## North Carolina

H.B. 680

*Passed House 6/20/13*

<http://www.ncga.state.nc.us/Sessions/2013/Bills/House/PDF/H680v3.pdf>

Enacts the Jump-Start Our Business Start-Ups Act and enacts the New Markets Jobs Act of 2014.

## Pennsylvania

S.B. 1045

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2013&sessInd=0&billBody=S&billTyp=B&billNbr=1045&pn=1510>

Amends the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, makes extensive substantive and editorial changes; further provides for definitions, exempt securities, exempt transactions, required documents for registration statements, rules for filing federally covered securities, exemptions from registration provisions, powers for the Department of Banking and Securities, administration of the act, increases assessments, methods of payment of funds and requirements for administrative proceedings under the act; makes a repeal; and establishes a restricted account in the General Fund.

## Virginia

H.B. 1872

*Signed by governor 3/13/13, Chapter 289*

<http://leg1.state.va.us/cgi-bin/legp504.exe?131+ful+CHAP0289>

Specifies that investments transacted via an online general solicitation, online broker, or a funding portal shall be eligible for state tax credits, so long as the investment otherwise meets all requirements for earning the particular tax credit.

## Washington

H.B. 2023

<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/House%20Bills/2023.pdf>

Helps new businesses access equity-based crowdfunding as a financing tool, democratizing venture capital, and facilitating investment by residents in Washington start-ups. Levies an excise tax of five percent on the total aggregate purchase price on certain sales of securities sold by an issuer.

H.B. 2054

<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/House%20Bills/2054.pdf>

Increases the flow of high-risk capital in the state to stimulate economic development.

## Wisconsin

A.B. 350

*Signed by governor 11/7/13, Act 52*

<https://docs.legis.wisconsin.gov/2013/related/acts/52.pdf>

Relates to exemptions from securities registration requirements and reporting by certain financial institutions holding companies; revises provisions regarding securities transactions to include offering through one or more registered Internet sites, the notification of investors regarding nonregistered securities, information regarding investor funds escrow accounts and limitations of resale and purchaser acknowledgment of notification, and the crowdfunding exemption for Internet site intrastate offerings.

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