

State Corporation Commission 2015 Fiscal Impact Statement

1. **Bill Number:** HB1384

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

2. **Patron:** Head

3. **Committee:** Commerce and Labor

4. **Title:** Securities Act; exemption for crowdfunding.

5. **Summary:** Securities Act; crowdfunding exemption. Creates an exemption from the securities, broker-dealer, and agent registration requirements of the Securities Act for an offer or sale of a security by an issuer, or an individual who represents an issuer in an offer or sale, for investments colloquially referred to as crowdfunding. To qualify for the exemption, the transaction is required to meet specific conditions, including the requirements of the federal exemption for intrastate offerings in § 3(a)(11) of the Securities Act of 1933 and SEC Rule 147. The amount to be received for all sales of the security in reliance upon this exemption shall not exceed \$2 million. The measure expires July 1, 2020.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:**

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015			
2016	\$68,549	1	206
2017	\$58,549	1	206
2018	\$62,724	1	206
2019	\$62,724	1	206
2020	\$62,724	1	206
2021	\$62,724	1	206

8. **Fiscal Implications:** The State Corporation Commission will need to budget one associate auditor position to be hired in FY 2016. Salary plus benefits are estimated to be \$58,549 plus \$10,000 for training and office equipment. Within two years of employment an associate is expected to be reallocated to auditor with salary plus benefits of \$62,724

9. **Specific Agency or Political Subdivisions Affected:**

Securities & Retail Franchising Division of the State Corporation Commission

10. **Technical Amendment Necessary:** No

11. Other Comments: None

RWT, January 7, 2015