

## State Corporation Commission 2015 Fiscal Impact Statement

**1. Bill Number:** SB763

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Edwards

**3. Committee:** Commerce and Labor

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

**5. Summary:** Securities Act; crowdfunding exemption. Creates an exemption from the securities, broker-dealer, and agent registration requirements of the Securities Act for any security issued by a Virginia entity if (i) the offering is conducted in accordance with the federal exemption for intrastate offerings in § 3(a)(11) of the Securities Act of 1933 and Securities Exchange Commission Rule 147; (ii) the offer and sale are made only to Virginia residents; (iii) the aggregate price of the securities offered under the exemption does not exceed \$2 million or such other amount as the State Corporation Commission (SCC) establishes by rule or order; (iv) the maximum amount that may be invested by a purchaser who is not an accredited investor is \$10,000 or such other amount as the SCC establishes by rule or order; (v) compensation is not paid to employees, agents, or other persons for the solicitation or based on the sale of such securities, who are not registered as a broker-dealer or agent except as permitted by the SCC; (vi) neither the issuer nor any related person is subject to disqualification; and (vii) the security is sold in an offering conducted in compliance with conditions established by rule or order of the SCC. The SCC may assess a filing fee not to exceed \$500.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Preliminary

**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 2017. 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