State Corporation Commission
2020 Fiscal Impact Statement

1. **Bill Number:** HB1339

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

2. **Patron:** Kilgore

3. **Committee:** Senate Floor

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

5. **Summary:** Repeals the sunset provision on the existing measure that authorizes the State Corporation Commission (the Commission) to adopt an exemption for limited offerings of securities by small and startup companies, known as equity crowdfunding, from the registration provisions of the Securities Act. These crowdfunding provisions, which were enacted in 2015, are currently scheduled to expire on July 1, 2020. The measure also broadens the existing exemption to apply to offerings conducted in accordance with Rule 147A adopted by the U.S. Securities Exchange Commission (SEC). Because Rule 147A does not require the issuer of the securities to be incorporated or organized in the same state where the offering occurs, the measure creates a carve-out for offerings under Rule 147A from the existing requirement that the issuer be formed, organized, or existing under the laws of the Commonwealth.

6. **Budget Amendment Necessary**: No

7. **Fiscal Impact Estimates:** No fiscal impact on the State Corporation Commission

8. **Fiscal Implications:** None on the State Corporation Commission

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission

10. **Technical Amendment Necessary:** No

11. **Other Comments:** House Bill 1339 was conformed to Senate Bill 542.

RT 2/19/2020