

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: H. 872 Name of Bill: An act relating to executive branch fees

Agency/ Dept: DFR Author of Bill Review: Emily Kisicki, Assistant General Counsel

Date of Bill Review: 5/23/16 Related Bills and Key Players _____

Status of Bill: (check one): ☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both

Recommended Position:

☐ Support ☐ Oppose ☒ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

Generally, the bill adjusts fees charged by executive branch agencies.

The sections that pertain to DFR are: Sections 30-32 add language and a fee for business entity limited lines producers; Section 33 increases fees across the Securities Division as follows: broker dealer and investment adviser registrations and federally covered investment adviser notice filing from \$250 to \$300, broker dealer and investment adviser branch registration from \$100 to \$120, sales agent registrations from \$60 to \$90, investment adviser representative registrations from \$55 to \$80, uniform investment company initial notice filings from \$600 to \$2,000 and renewal fees from \$600 to \$1,500; and Section 34 adds statutory language regarding the EB-5 program and the state's Regional Center that make changes to the EB-5 special fund and oversight cost recovery and require ACCD and DFR to adopt rules pertaining to roles and responsibilities.

2. Is there a need for this bill? *Please explain why or why not.*

As to the DFR sections identified above, the only necessary language is in Sections 30-32 related to business entity limited lines producers. This language was requested by DFR to establish a fee for a new class of insurance licensees. Section 33 increases securities fees above DFR's recommendation, both in amounts and types of fees raised (DFR only supported an increase to uniform investment companies). Section 34 is not needed because ACCD and DFR can, and do, address Regional Center roles and responsibilities through their existing relationship and MOU.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

DFR will have to administer the new license and fee for business entity limited lines producers; increase fee amounts for securities division registrants, and go through a rulemaking process for its role in oversight of the EB-5 program. Of these, the rulemaking process and any resultant change in DFR's oversight role is likely to have the largest programmatic impact. The business entity limited lines producer fee and securities registration fee changes will likely have an overall positive fiscal impact for DFR.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

The bill as a whole will have implications throughout state government with respect to fees charged by departments. As to the three sections that pertain to DFR, Section 34 will also impact ACCD because ACCD is also required to go through a rulemaking process and is directed to collect past-due administrative fees. ACCD is likely to agree with DFR that the legislation is unnecessary because DFR and ACCD have already outlined roles and responsibilities through an MOU and can make changes within the existing oversight framework and without legislative direction.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

Business entity limited lines producers are likely to support the language because it promotes uniformity. Securities registrants are likely to oppose the fee increases because they are significant increases. This may result in a reduction in the number of non-resident registrants.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why? N/a

6.2 Who else is likely to oppose the proposal and why? n/a

7. Rationale for recommendation: *Justify recommendation stated above.*

DFR recommends the adoption of Sections 30-32. DFR recommends a neutral position on Sections 33 and 34. DFR did not support the fee increases in Section 33, and testified that uniform investment company increase is significant and that individual registrants should be subject to fee increases. DFR does not believe that Section 34 is needed, and testified to that effect.

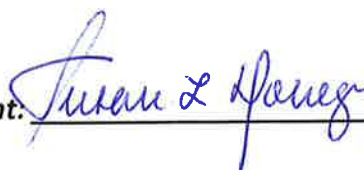
8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

N/A

9. Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many?

N/A

Secretary/Commissioner has reviewed this document:



Date:

5/23/16