

**Legislative
Council Staff***Nonpartisan Services for Colorado's Legislature***FISCAL NOTE**

Drafting Number: LLS 18-1201
Prime Sponsors: Rep. Garnett
Sen. Tate

Date: April 17, 2018
Bill Status: House Finance
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Bill Topic: EXEMPT REQUIREMENT REGISTER SECURITY IF NOTICE FILING

**Summary of
Fiscal Impact:** **No fiscal impact.** The bill eliminates the registration requirement for mutual fund offerings and substitutes a notice filing requirement.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, a security must be registered with the Securities Commissioner in the Department of Regulatory Agencies (DORA), unless exempt from registration requirements. The bill exempts mutual fund offerings from the registration requirement and substitutes the requirement that the issuer of the security file notice with DORA.

The notice filing is effective for securities sold within 12 months after the filing and must be renewed annually. DORA must determine the filing and renewal fees and the filing must be on a form NF established by the North American Securities Administrators Association, or a similar form.

Assessment

The bill is assessed as having no fiscal impact. The registration requirement in current law is preempted by the federal National Securities Markets Improvement Act of 1996, which permits state securities regulators to require only notice filings and the payment of filing fees for mutual funds. As a result, the bill aligns statute with DORA's current practices and has no impact on the revenue or expenditures of any state or local government agency.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed. The bill applies to conduct occurring on or after that date.

State and Local Government Contacts

Judicial Law Regulatory Agencies