



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 18-1201	Date:	April 17, 2018
Prime Sponsors:	Rep. Garnett Sen. Tate	Bill Status:	House Finance
		Fiscal Analyst:	Anna Gerstle 303-866-4375 Anna.Gerstle@state.co.us

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