

# SENATE BILL REPORT

## SB 6024

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As Passed Senate, February 9, 2018

**Title:** An act relating to the disposition of certain fees collected by the department of financial institutions for the securities division.

**Brief Description:** Addressing the disposition of certain fees collected by the department of financial institutions for the securities division.

**Sponsors:** Senators Mullet and Angel; by request of Department of Financial Institutions.

**Brief History:**

**Committee Activity:** Financial Institutions & Insurance: 1/11/18 [DP, DNP].

**Floor Activity:**

Passed Senate: 2/09/18, 46-0.

**Brief Summary of Bill**

- Authorizes the Department of Financial Institutions (DFI) to increase fees by no more than \$15 by rule to pay for costs to regulate the securities industry.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Angel, Ranking Member; Fortunato and Kuderer.

**Minority Report:** Do not pass.

Signed by Senator Baumgartner.

**Staff:** Jeff Olsen (786-7428)

**Background:** DFI is responsible for administering the Securities Act and regulating investment activities under the act. DFI is authorized to charge fees for registration of securities, filing annual financial statements, registration of brokers or investment advisers, transferring securities licenses, and rendering interpretative opinions. Thirteen percent of revenues collected by DFI for securities regulation are deposited in the Financial Services

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Regulation Fund for paying costs for the proper regulation of the securities industry. The remaining monies are deposited in the state General Fund.

**Summary of Bill:** DFI is authorized to increase fees by rule for securities regulation by no more than \$15. DFI must have found that a fee increase is necessary to defray the costs of administering the securities chapter. All monies from the fee increase must be deposited in the Financial Services Regulation Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: DFI is seeking limited authority to adjust fees by rule for the securities industry. The fee increase is necessary to pay for the costs to administer the program and regulate the securities industry. DFI has worked with stakeholders on developing the fee increase. Some fees have not been updated for over 30 years, and the goal is to collect sufficient revenues to cover the costs of the securities regulation, and potentially adjust other fees at DFI once sufficient fee revenues have been collected. Currently Washington's securities regulatory fees compared to other states are between 35th - 48th lowest in the nation.

**Persons Testifying:** PRO: Bill Beatty, DFI.

**Persons Signed In To Testify But Not Testifying:** No one.