
HOUSE BILL 2286

State of Washington

65th Legislature

2018 Regular Session

By Representatives Kirby, Vick, and Reeves; by request of Department of Financial Institutions

Prefiled 12/15/17. Read first time 01/08/18. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to the disposition of certain fees collected by
2 the department of financial institutions for the securities division;
3 and amending RCW 21.20.340 and 43.320.110.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 21.20.340 and 2016 c 61 s 10 are each amended to
6 read as follows:

7 Except as provided in subsection (15) of this section, the
8 following fees shall be paid in advance under the provisions of this
9 chapter:

10 (1)(a) For registration of securities by qualification, the fee
11 shall be one hundred dollars for the first one hundred thousand
12 dollars of initial issue, or portion thereof in this state, based on
13 offering price, plus one-twentieth of one percent for any excess over
14 one hundred thousand dollars which are to be offered during that
15 year: PROVIDED, HOWEVER, That an issuer may upon the payment of a
16 fifty dollar fee renew for one additional twelve-month period only
17 the unsold portion for which the registration fee has been paid.

18 (b) For the offer of a federal covered security that (i) is an
19 exempt security pursuant to section 3(2) of the Securities Act of
20 1933, and (ii) would not qualify for the exemption or a discretionary
21 order of exemption pursuant to RCW 21.20.310(1), the fee shall be one

1 hundred dollars for the first one hundred thousand dollars of initial
2 issue, or portion thereof in this state, based on offering price,
3 plus one-twentieth of one percent for any excess over one hundred
4 thousand dollars which are to be offered during that year: PROVIDED,
5 HOWEVER, That an issuer may upon the payment of a fifty dollar fee
6 renew for one additional twelve-month period only the unsold portion
7 for which the filing fee has been paid.

8 (2)(a) For registration by coordination of securities issued by
9 an investment company, other than a closed-end company, as those
10 terms are defined in the Investment Company Act of 1940, the fee
11 shall be one hundred dollars for the first one hundred thousand
12 dollars of initial issue, or portion thereof in this state, based on
13 offering price, plus one-twentieth of one percent for any excess over
14 one hundred thousand dollars which are to be offered in this state
15 during that year: PROVIDED, HOWEVER, That an issuer may upon the
16 payment of a fifty dollar fee renew for one additional twelve-month
17 period the unsold portion for which the registration fee has been
18 paid.

19 (b) For each offering by an investment company, other than a
20 closed-end company, as those terms are defined in the Investment
21 Company Act of 1940, making a notice filing pursuant to RCW
22 21.20.327(1), the initial filing fee shall be one hundred dollars for
23 the first one hundred thousand dollars of initial issue, or portion
24 thereof in this state, based on offering price, plus one-twentieth of
25 one percent for any excess over one hundred thousand dollars which
26 are to be offered in this state during that year. The amount offered
27 in this state during the year may be increased by paying one-
28 twentieth of one percent of the desired increase, based on offering
29 price, prior to the sale of securities to be covered by the fee:
30 PROVIDED, HOWEVER, That an issuer may upon the payment of a fifty
31 dollar fee renew for one additional twelve-month period the unsold
32 portion for which the filing fee has been paid.

33 (3)(a) For registration by coordination of securities not covered
34 by subsection (2) of this section, the initial filing fee shall be
35 one hundred dollars for the first one hundred thousand dollars of
36 initial issue, or portion thereof in this state, based on offering
37 price, plus one-fortieth of one percent for any excess over one
38 hundred thousand dollars for the first twelve-month period plus one
39 hundred dollars for each additional twelve months in which the same
40 offering is continued. The amount offered in this state during the

1 year may be increased by paying one-fortieth of one percent of the
2 desired increase, based on offering price, prior to the sale of
3 securities to be covered by the fee.

4 (b) For each offering by a closed-end investment company, making
5 a notice filing pursuant to RCW 21.20.327(1), the initial filing fee
6 shall be one hundred dollars for the first one hundred thousand
7 dollars of initial issue, or portion thereof in this state, based on
8 offering price, plus one-fortieth of one percent for any excess over
9 one hundred thousand dollars for the first twelve-month period plus
10 one hundred dollars for each additional twelve months in which the
11 same offering is continued. The amount offered in this state during
12 the year may be increased by paying one-fortieth of one percent of
13 the desired increase, based on offering price, prior to the sale of
14 securities to be covered by the fee.

15 (4) For filing annual financial statements, the fee shall be
16 twenty-five dollars.

17 (5)(a) For filing an amended offering circular after the initial
18 registration permit has been granted or pursuant to RCW
19 21.20.327(1)(b), the fee shall be ten dollars.

20 (b) For filing a report under RCW 21.20.270(1) or
21 21.20.327(1)(c), the fee shall be ten dollars.

22 (6)(a) For registration of a broker-dealer or investment adviser,
23 the fee shall be one hundred fifty dollars for original registration
24 and seventy-five dollars for each annual renewal. When an application
25 is denied or withdrawn the director shall retain one-half of the fee.

26 (b) For a federal covered adviser filing pursuant to RCW
27 21.20.050, the fee shall be one hundred fifty dollars for original
28 notification and seventy-five dollars for each annual renewal. A fee
29 shall not be assessed in connection with converting an investment
30 adviser registration to a notice filing when the investment adviser
31 becomes a federal covered adviser.

32 (7) For registration of a salesperson or investment adviser
33 representative, the fee shall be forty dollars for original
34 registration with each employer and twenty dollars for each annual
35 renewal. When an application is denied or withdrawn the director
36 shall retain one-half of the fee.

37 (8) If a registration, or filing pursuant to RCW 21.20.050, of a
38 broker-dealer, salesperson, investment adviser, federal covered
39 adviser, or investment adviser representative is not renewed on or
40 before the renewal deadline specified in the central registration

1 depository (CRD) or the investment adviser registration depository
2 (IARD), as applicable, the renewal is delinquent. The director by
3 rule or order may set and assess a fee for delinquency not to exceed
4 two hundred dollars. Acceptance by the director of an application for
5 renewal after the renewal deadline specified in the CRD or the IARD,
6 as applicable, is not a waiver of delinquency. A delinquent
7 application for renewal will not be accepted for filing after March
8 1st.

9 (9)(a) For the transfer of a broker-dealer license to a
10 successor, the fee shall be fifty dollars.

11 (b) For the transfer of a salesperson license from a broker-
12 dealer or issuer to another broker-dealer or issuer, the transfer fee
13 shall be twenty-five dollars.

14 (c) For the transfer of an investment adviser representative
15 license from an investment adviser to another investment adviser, the
16 transfer fee shall be twenty-five dollars.

17 (d) For the transfer of an investment adviser license to a
18 successor, the fee shall be fifty dollars.

19 (10)(a) The director may provide by rule for the filing of notice
20 of claim of exemption under RCW 21.20.320 (1), (9), and (17) and set
21 fees accordingly not to exceed three hundred dollars.

22 (b) For the filing required by RCW 21.20.327(2), the fee shall be
23 three hundred dollars.

24 (11) For filing of notification of claim of exemption from
25 registration pursuant to RCW 21.20.310(11), as now or hereafter
26 amended, the fee shall be fifty dollars for each filing.

27 (12) For rendering interpretative opinions, the fee shall be
28 thirty-five dollars.

29 (13) For certified copies of any documents filed with the
30 director, the fee shall be the cost to the department of financial
31 institutions.

32 (14) For a duplicate license the fee shall be five dollars.

33 (15) Upon a finding by the department of financial institutions
34 that a fee increase is necessary to defray the costs of administering
35 this chapter, the director may by rule adjust the fees specified in
36 this section upward by no more than fifteen dollars.

37 All fees collected under this chapter shall be turned in to the
38 state treasury and are not refundable, except as herein provided.

1 **Sec. 2.** RCW 43.320.110 and 2017 3rd sp.s. c 1 s 976 are each
2 amended to read as follows:

3 (1) There is created in the custody of the state treasurer a
4 local fund known as the "financial services regulation fund" which
5 shall consist of all moneys received by the divisions of the
6 department of financial institutions, except ~~((for))~~ as provided in
7 subsection (2) of this section.

8 (2) The division of securities ~~((which))~~ shall deposit thirteen
9 percent of all moneys received, except as provided in RCW 43.320.115
10 and subsection (3) of this section, and which shall be used for the
11 purchase of supplies and necessary equipment; the payment of
12 salaries, wages, and utilities; the establishment of reserves; and
13 other incidental costs required for the proper regulation of
14 individuals and entities subject to regulation by the department.
15 ~~((The state treasurer shall be the custodian of the fund.))~~

16 (3) The division of securities shall deposit one hundred percent
17 of all moneys received that are attributable to increases in fees
18 implemented by rule pursuant to RCW 21.20.340(15).

19 (4) Disbursements from the fund shall be on authorization of the
20 director of financial institutions or the director's designee. In
21 order to maintain an effective expenditure and revenue control, the
22 fund shall be subject in all respects to chapter 43.88 RCW, but no
23 appropriation is required to permit expenditures and payment of
24 obligations from the fund.

25 ~~((During the 2015-2017 fiscal biennium, the legislature may~~
26 ~~transfer from the financial services regulation fund to the state~~
27 ~~general fund such amounts as reflect the excess fund balance of the~~
28 ~~fund.))~~ During the 2015-2017 and 2017-2019 fiscal biennia, moneys
29 from the financial services regulation fund may be appropriated for
30 the family prosperity account program at the department of commerce
31 and for the operations of the department of revenue.

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