

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1886 - SB 1990

February 20, 2020

SUMMARY OF BILL: Expands the exemption from registration requirements through the Securities Division of the Department of Commerce and Insurance (DCI) for the sale of any security in this state to include amended federal rules for intrastate offerings.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 48-1-103(a)(13)(A), the sale of a security in this state is exempt from registration through DCI if the sale meets the requirements of a federal exemption for intrastate offerings in 15 U.S.C. § 77c(a)(11) and 17 CFR § 230.147.
- The proposed legislation expands the exemption to include an amendment, effective April 20, 2017, to 17 CFR § 230.147.
- 17 CFR § 230.147 deems the issuer of a security a resident of the state in which it is incorporated or organized and has its principal place of business. The amendment, 17 CFR § 230.147A, deems the issuer of a security a resident of the state in which it has its principal place of business.
- Aligning state registration exemptions for intrastate offerings of securities with federal exemptions is not estimated to exempt a significant additional number of securities; therefore, no significant decrease in registration revenue to the Securities Division of the DCI.
- No significant fiscal impact to state or local government.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Aligning state registration exemptions for intrastate offerings of securities with federal exemptions is not estimated to exempt a significant additional number of securities; therefore, no significant decrease in registration fee business expenditures.
- No significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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