

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 439 (THIRD EDITION ENGROSSED 5/22/97)

**SHORT TITLE:** SECURITIES/INVESTMENT ADVISORS

**FISCAL IMPACT**

Yes ( )      No (X)      No Estimate Available ( )

FY 1997-98   FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02

**REVENUES**

**EXPENDITURES**

**PRINCIPAL DEPARTMENT AFFECTED:** Secretary of State

**EFFECTIVE DATE:** October 1, 1997.

**BILL SUMMARY:** Amends state securities regulation law dealing with investment advisers to remove some of the state regulatory activities in lieu of additional federal regulation (generally applies to investment advisers with \$25 million or more of assets under management). The bill does not eliminate the role of the Secretary of State in dealing with fraudulent claims and the advisers covered by federal regulation must continue to do a notice filing with the Secretary of State so that investors and law enforcement personnel have a record of their presence. The current \$200 initial filing fees and \$200 renewal notice filing fee for investment advisers remains the same under the bill.

**ASSUMPTIONS AND METHODOLOGY:** This analysis was developed from Senate Finance Committee discussions by representatives of the Secretary of State and FRD conversations with those representatives. The Secretary of State's Office estimates that the additional federal regulation will reduce their activity volume by about 50% and that the freed-up resources will be directed toward providing more timely oversight of state-regulated investment advisers.

**FISCAL RESEARCH DIVISION (733-4910)**

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**Official**



**Fiscal Research Division**

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