



Representative Lindsey Holmes

House Bill 308 An Act relating to exemptions under the Alaska Securities Act; and providing for an effective date.

Under current law, small businesses are required to pay a fee and file sensitive personal information of individuals purchasing securities that they issue and file it with the Department of Commerce, Community and Economic Development (DCCED). This information is subject to a public records request and serves no purpose to the Department. House Bill 308 removes these fees and reporting requirements in an effort to make it easier for small businesses to raise startup funds.

HB 308 removes the reporting requirements and fees for three types of transactions:

- Sales by an issuer to not more than 10 persons in the state;
- Sales by an issuer to not more than 25 persons in the state;
- An offer to existing security holders of the issuer.

While removing the onerous reporting requirements, the bill still requires the issuer of the securities to provide required information to investors in compliance with the Securities Act. The bill keeps the Act's consumer protection language intact and does not inhibit the Division of Banking and Securities to investigate violations or the public to seek damages through the court system.

The bill also seeks to clarify that the stock issued by ANCSA corporations in compliance with federal law does not violate the Securities Act as well as offers some updates to dates and conforming language changes.

Please join me in supporting this simple piece of legislation that updates the Securities Act and will make it easier for small businesses to generate startup funds.