

SB 189

DATE: 5/8/91

FURTHER:

DATE TURNED INTO OFFICE: 5-17-91

The Finance Committee considered SENATE BILL NO. 189

"An Act amending the Alaska Securities Act of 1959 to allow fees related to registration to be established by regulation, to provide for registration, examination, and other procedures that avoid duplication, and to provide for exemption from registration for certain securities."

and recommended:

- replace with _____ CS _____
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted

- same title
- new title
- technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):
 Dept/Date:
 fiscal note(s) _____

 zero fiscal note(s) _____

APPROVES PREVIOUS:
 Dept/Date:
 fiscal note(s) _____
~~_____~~
 zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. [Signature] 2. [Signature]
 Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 1

Bill Version: SB 189

(S) Publish Date: 2/11/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: Amend the Alaska Securities Act of 1959 BRU: Banking, Securities & Corporations
 Component: Banking & Securities
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO.

1	2	3	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	400.0	500.0	500.0	550.0	550.0	550.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities & Corporations Date: 2/20/91
 Approved by Commissioner: Glenn A. Olds *Glenn A. Olds*
 Agency: Department of Commerce & Economic Development Date: 2/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

SENATE BILL NO. 189

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/11/91
Referred: L&C and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the Alaska Securities Act of 1959 to allow fees related to registration
2 to be established by regulation, to provide for registration, examination, and other
3 procedures that avoid duplication, and to provide for exemption from registration for
4 certain securities."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 45.55.040(c) is amended to read:

7 (c) Every broker-dealer, [APPLICANT FOR INITIAL REGISTRATION SHALL PAY
8 A REGISTRATION FEE OF \$125. EVERY] agent, [APPLICANT] and investment adviser
9 applicant for initial registration shall pay a registration fee established by the department by
10 regulation [OF \$50]. Every broker-dealer, [APPLICANT FOR ANNUAL RENEWAL OF
11 REGISTRATION SHALL PAY AN ANNUAL RENEWAL FEE OF \$75. EVERY] agent,
12 [APPLICANT] and investment adviser applicant for annual renewal of registration shall pay an
13 annual renewal fee established by the department by regulation [OF \$30].

14 * Sec. 2. AS 45.55.040(d) is amended to read:

1 (d) A registered broker-dealer or investment adviser may file an application for
2 registration of a successor, whether or not the successor is then in existence, for the unexpired
3 portion of the year. A broker-dealer may file a request to transfer from a previous broker-dealer
4 an agent's unexpired portion of the registration if the provisions of AS 45.55.030(b) have been
5 met. The [THERE IS A] filing fee [OF \$10] for filing applications under this subsection shall
6 be established by the department by regulation.

7 * Sec. 3. AS 45.55.040 is amended by adding a new subsection to read:

8 (g) The administrator may permit initial and renewal registration filings required under
9 this chapter to be filed with the Securities and Exchange Commission, the National Association
10 of Securities Dealers or other similar authorities. The administrator may accept uniform
11 securities examinations or other procedures designed to implement a uniform national securities
12 regulatory system or facilitate common practices and procedures among the states.

13 * Sec. 4. AS 45.55.110(b) is amended to read:

14 (b) Every person filing a registration statement shall pay a filing fee [OF \$50] and a
15 registration fee in amounts established by the department by regulation [OF ONE-TENTH
16 OF ONE PER CENT OF THE MAXIMUM AGGREGATE OFFERING PRICE AT WHICH
17 THE REGISTERED SECURITIES ARE TO BE OFFERED IN THIS STATE, BUT THE
18 REGISTRATION FEE SHALL IN NO CASE BE LESS THAN \$50 OR MORE THAN \$1,500].
19 When a registration statement is withdrawn before the effective date or a pre-effective stop order
20 is entered under AS 45.55.120, the administrator shall retain the [\$50] filing fee.

21 * Sec. 5. AS 45.55.140(a)(10) is amended to read:

22 (10) a security listed or approved for listing upon notice of issuance on the New
23 York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, [OR] the
24 Pacific Coast Stock Exchange, the Chicago Board Options Exchange, or any other securities
25 exchange designated by order of the administrator, or any security designated or approved
26 for designation upon notice of issuance as a national market system security on the National
27 Association of Securities Dealers Automated Quotation National Market System or on any
28 other quotation system designated by order of the administrator, or any other security of the
29 same issuer which is of senior or substantially equal rank; a security called for by subscription
30 rights or warrants so listed or approved; or a warrant or right to purchase or subscribe to any of
31 the foregoing;

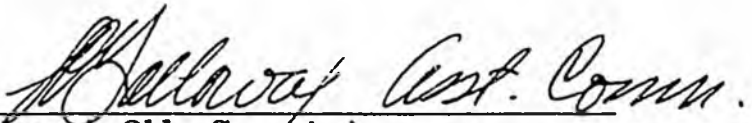
1 * Sec. 6. AS 45.55.140(f) is amended to read:

2 (f) The administrator shall by regulation prescribe a schedule of fees for the application
3 for or the examination or investigation of a claimed exemption.

SB 189: "An Act amending the Alaska Securities Act of 1959 to allow fees related to registration to be established by regulation, to provide for registration, examination, and other procedures that avoid duplication, and to provide for exemption from registration for certain securities."

This bill permits the Division of Banking, Securities and Corporations to revise securities fees which have not been modified since enactment of the Securities Act of 1955. In addition, the bill grants exemption from registration for certain securities listed on the National Automatic Quotation System (NASDAQ), as well as certain securities listed on the Chicago Board Options Exchange. These new exemptions meet listing criteria of present manual exemptions provided by the Act. The exemptions are allowable in many jurisdictions and will provide uniformity.

The securities industry is encouraging and supporting this legislation.


Glenn A. Olds, Commissioner

Date: 5-6-91

APR 25 1991

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

OFFICE OF THE COMMISSIONER

P.O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

April 26, 1991

The Honorable Drue Pearce
Chairman, Senate Labor
and Commerce Committee
Room 101, Capitol
P.O. Box V
Juneau, AK 99811

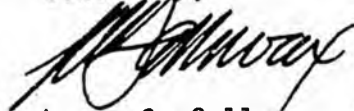
Dear Senator Pearce:

Re: Senate Bill 189, Amending the Alaska Securities Act

The Senate Labor and Commerce Committee has before it Senate Bill 189, amending the Alaska Securities Act. Please be advised that the department would very much appreciate the committee's consideration and hearing on this bill. The legislation will permit the Division of Banking and Securities to revise securities fees which have not been modified since enactment of the Securities Act in 1955. In addition, the bill grants exemption from registration for certain securities listed on the National Automatic Quotation System (NASDAQ), as well as certain securities listed on the Chicago Board Options Exchange. These new exemptions are allowable in many jurisdictions and are needed to bring us mainstream with our fellow regulators.

This is a unique opportunity where industry is, in fact, supporting legislation which will result in increased fees and put us back in the middle of the road for securities regulation. This is important for us, and we would appreciate your consideration.

Sincerely,



Larry O. Galloway
Assistant Commissioner

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042691b

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB189

March 11, 1991

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill to amend the Alaska Securities Act of 1959. The bill addresses three administrative problems.

First, the bill would change existing statutes to allow the Department of Commerce and Economic Development (department) to set securities registration-related fees by regulation. Sections 1, 2, 4, and 6. Currently, almost all registration-related fees are expressly set by statute. Because those statutes have not been updated for many years, the fees are significantly below those charged by other jurisdictions and are inadequate to pay for the services provided. The intent of the department is to set the fees by regulation at an amount consistent with that charged by other states.

Second, in an effort to reduce the amount of duplicate filings and unnecessary paperwork handled by the department, the bill provides that the administrator of securities (the director of the division of banking, securities and corporations) may arrange with the National Association of Securities Dealers or the Securities and Exchange Commission to have coordinated national filings, and may accept certain uniform registration-related procedures. Section 3.

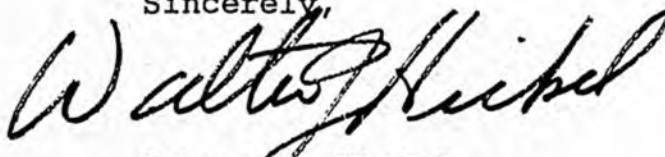
Third, the bill provides for new exemptions from the registration requirement for securities: At present, securities listed under a number of national stock exchanges are exempt from registration. AS 45.55.140(a)(10). The bill will add to that list two other recognized exchanges, the Chicago Board Options Exchange and the National Association of Securities Dealers Automated Quotation National Market System (NASDAQ/NMS). Additionally, the administrator would have the flexibility to add to that list as conditions dictated. Most jurisdictions have a similar form of administrator exemption approval.

The Honorable Richard Eliason -2-

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The bill updates the Alaska Securities Act to bring it in line with current practice and to permit coordination with national enforcement authorities. I urge your support of this measure.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

**THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.**

PLEASE MICROFILM TOP PAGE ONLY.

**DOCUMENTS WHICH HAVE NOT BEEN FILMED BUT ARE
AVAILABLE IN THE ORIGINAL FILE INCLUDE:**

CORRESPONDENCE AND STATEMENTS OF SUPPORT FROM:

- 1. THE OPTIONS EXCHANGE, 5/10/91**
- 2. DEAN WITTER REYNOLDS, INC., ANCHORAGE
5/3/91**
- 3. THE OPTIONS EXCHANGE, 4/26/91**
- 4. NATIONAL ASSOCIATION OF SECURITIES DEALERS,
INC., 4/8/91**



Nancy L. Nielsen
Assistant Corporate Secretary

LaSalle at Van Buren
Chicago, Illinois 60605 312 786-7466

May 10, 1991

Federal Express

Senator Pat Pourchot
Co-Chairman
Senate Finance Committee
State Capitol
P.O. Box V
Juneau, AK 99811-0101

Re: Senate Bill 189

Dear Senator Pourchot:

We understand that a hearing on Senate Bill 189 is scheduled for Thursday, May 16, 1991. In connection with the hearing, we thought you might be interested in the enclosed report of the Ad Hoc Marketplace Committee of the North American Securities Administrators Association. The Committee conducted a due diligence study of the Chicago Board Options Exchange, the results of which are summarized in the report. As noted in Nancy Crossman's letter of April 26th, the Report, which recommended that the states accord CBOE a marketplace exemption, was delivered at the April NASAA Conference.

We respectfully request that you and you colleagues favorably report this bill at the May 16th hearing. If you have any questions, please call me at (312) 786-7466.

Sincerely,

A handwritten signature in cursive script that reads "Nancy L. Nielsen".

Nancy L. Nielsen
Assistant Corporate Secretary

Enclosure

cc: Lawrence P. Carroll