

FISCAL IMPACT STATEMENT

Agency: Banking and Finance
 Title: 48
 Chapters: 1 and 38-42

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Type of Fiscal Impact: There will be a minor decrease in revenue resulting from the adoption of Chapter 42. None of the other rules will have a fiscal impact. The regulated public will have decreased costs of compliance as certain advisers to private funds will be able to claim an exemption rather than registering with the Department as an investment adviser.

	State Agency	Political Sub.	Regulated Public
No Fiscal Impact	()	(X)	()
Increased Costs	()	()	()
Decreased Costs	()	()	(X)
Increased Revenue	()	()	()
Decreased Revenue	(X)	()	()

Description of Impact:

State Agency: There will be a minor decrease in the revenue to the Department as a result of the adoption of Chapter 42. The Department has identified one existing investment adviser and one potential investment adviser that would be exempt from registration as an investment adviser if the regulation is adopted. In addition, the investment adviser representatives employed by such persons would also be exempt from registration. The total estimated decrease in revenue is less than \$1,000.00 annually.

Chapters 38-41 will have no fiscal impact upon the Department. The fees contained in Chapters 39-40 are statutorily prescribed.

Political Subdivisions: The rules impose no requirements on political subdivisions; therefore, there is no fiscal impact.

Regulated Public: The proposed amendments to Chapters 38-41 will not result in any fiscal impact. The fees contained in Chapter 39-40 are statutorily prescribed.

Chapter 42 will result in decreased costs upon private fund advisors. Such advisors will not have to pay the registration fees for investment advisor firms, \$200.00 annually, and investment adviser representatives, \$40.00 annually. The Department has also been advised that the exemption will reduce other compliance costs for such private fund advisers, but the Department cannot estimate the amount of such savings.