

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: JUN 25 2007

SUBJECT: Fiscal Impact Statement: "Securities Act of 2007"

REFERENCE: Draft Legislation to be Introduced – No Number Available

Conclusion

The proposed legislation will have no impact on the District's budget and financial plan. No additional staff or resources will be required to implement the proposed legislation.

Background

The Uniform Law Commissioners have promulgated a fourth Act which replaces both the 1956 and 1985 Acts. It reflects consensus support from representatives of the broad array of government and private sector interests that participated in the legislative development process. The proposed legislation would represent the District's local adoption of a nationwide reform.

The proposed legislation is an omnibus Bill making many amendments, adoptions, modifications and repeals of existing securities law. Most prominent of these is the requirement for the registration of securities and required notice filings of federally covered securities. The proposed legislation is the vehicle to adopt changes in regulation of broker-dealers, agents, investment advisors, investment adviser representatives, and investment advisors that are federally covered.

In addition, the proposed legislation establishes civil and criminal penalties and civil liability as the result of a conviction of fraud. This Bill would also provide authority for administration, enforcement, and judicial review over the provisions of the proposed legislation.

Finally, the proposed legislation will repeal the Securities Act of 2000.¹

Financial Plan Impact

The proposed legislation will have no impact on the District's budget and financial plan. No additional staff or resources will be required to implement the proposed legislation. The proposed legislation is regulatory in nature and all required District Department of Insurance, Securities and Banking requirements will be absorbed by the agency's existing staff and operations.

¹ Securities Act of 2000; D.C. Law 13-203; D.C. Official Code Title 31 § 5601 *et sequitor*.