



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 13, 2018

TIME: 9:22 AM

WSR 18-17-078

Agency: Department of Financial Institutions

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: The Department of Financial Institutions is hereby adjusting the filing fees required for initial and renewal applications for registration as an investment adviser, broker-dealer, investment adviser representative, and securities salesperson, in addition to the initial and renewal notice filing fees for federal covered advisers, upward by ten dollars effective January 31, 2019 to defray the costs of administering the Securities Act of Washington, chapter 21.20, pursuant to RCW 21.20.340 and RCW 43.320.110 as amended by Senate Bill 6024 (2018). On March 22, 2018, Governor Jay Inslee signed into law Senate Bill 6024, which authorizes the Director of the Department of Financial Institutions to increase the fees set forth in RCW 21.20.340 upward by no more than fifteen dollars upon a finding that a fee increase is necessary to defray the costs of administering the Securities Act of Washington. The Securities Division's annual revenues are insufficient to sustain its operations. The Securities Division's annual expenditures have exceeded its revenues cumulatively by approximately \$14.4 million since fiscal year 2004. The Securities Division's yearly deficits are projected to continue through fiscal year 2019, resulting in an approximate \$7.5 million deficit in fund balance for the Division, far below the recommended minimum fund balance of \$1.6 million. The fee increase will correct the deficiencies in revenues that have persisted since fiscal year 2004 and the full amount of the fee increase will be allocated to the Securities Division.

Citation of rules affected by this order:

- New: WAC 460-05A-010
- Repealed:
- Amended:
- Suspended:

Statutory authority for adoption: RCW 21.20.340 and RCW 43.320.110 as amended by Senate Bill 6024 (2018)

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 18-13-076 on June 15, 2018 (date).
Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Web site:
- Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

The number of sections adopted at the request of a nongovernmental entity:

New	___	Amended	___	Repealed	___
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The number of sections adopted on the agency's own initiative:

New	<u>1</u>	Amended	___	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	___	Amended	___	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date Adopted: August 13, 2018

Name: Gloria Papiez

Title: Director

Signature:

