

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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February 19, 2015

To: House Committee on Appropriations

From: Mark Dapp, Fiscal Analyst

Re: Information Requested re: Office of the Securities Commissioner Proposed Fee Increase and Comparative Analysis of Fees Charged

Mr. Chairman and Members of the Committee,

As requested during the February 16, 2015 meeting, further information has been provided on the amount of revenue the Office of the Securities Commissioner projects to generate from a proposed \$5.00 increase on Agent-Broker and Investment Adviser renewal fees. Please find these projections on page one of the attachment.

Additionally, information was requested on where Kansas currently ranks in relation to other states on the fees charged to Broker-Dealers and Investment Advisers. This information begins on page two of the attachment and is displayed in differing formats on the following pages.

Thank you.

Office of the Securities Commissioner of Kansas
Impact of Proposed Fee Increases
FY2016 & FY2017

Proposed Fee Increases:

Agents & IA Representatives \$ 5.00

	FY2016 Estimate		FY2017 Estimate	
<u>New and Renewal Filings*</u>	#	Increase	#	Increase
Broker Dealer Agents	127,500	\$ 637,500	128,000	\$ 640,000
IA Representatives	5,775	\$ 28,875	5,800	\$ 29,000
		<u>\$ 666,375</u>		<u>\$ 669,000</u>
<u>Impact on Kansas Filers/Registrants</u>				
BD Agents @ 4.25% of total	5,419	\$ 27,095	5,440	\$ 27,200
IA Representatives @ 57% of total	3,293	\$ 16,465	3,308	\$ 16,540
		<u>\$ 43,560</u>		<u>\$ 43,740</u>
Percentage of total revenue increase from Kansas-based filers/registrants		<u>6.5%</u>		<u>6.5%</u>
Percentage of total revenue increase from filers/registrants in other states		<u>93.5%</u>		<u>93.5%</u>

* The numbers of original and renewal registrations are based on the volumes of filings used in the Revenue Estimates on Form DA-405 for FY 2016 and FY 2017.

Office of the Securities Commissioner of Kansas
Survey of Fees Rates for Broker-Dealer (BD) Agents
and Investment Adviser (IA) Representatives
As of January 1, 2015

<u>State</u>	<u>BD Agents</u>		<u>IA Representatives</u>	
	<u>New Filings</u>	<u>Renewal Filings</u>	<u>New Filings</u>	<u>Renewal Filings</u>
Alabama	\$ 60	\$ 60	\$ 60	\$ 60
Alaska	75	75	75	75
Arizona	45	45	40	40
Arkansas	75	75	75	75
California	25	25	25	25
Colorado	12	12	13	12
Connecticut	100	100	100	100
D.C.	45	45	45	45
Delaware	65	65	65	65
Florida	50	50	50	50
Georgia	50	40	250	100
Hawaii	25	25	25	25
Idaho	50	50	30	30
Illinois	150	150	150	150
Indiana	25	25	25	25
Iowa	40	40	30	30
Kansas	55	55	55	55
Kentucky	50	50	50	50
Louisiana	60	60	-	-
Maine	50	25	50	25
Maryland	35	35	50	50
Massachusetts	75	75	50	50
Michigan	65	65	65	65
Minnesota	50	50	-	-
Mississippi	50	50	50	50
Missouri	50	50	50	50
Montana	50	50	50	50
Nebraska	40	40	40	40
Nevada	125	125	110	110
New Hampshire	130	100	130	100
New Jersey	60	60	50	50

State	BD Agents		IA Representatives	
	New	Renewal	New	Renewal
	<u>Filings</u>	<u>Filings</u>	<u>Filings</u>	<u>Filings</u>
New Mexico	\$ 50	\$ 50	\$ 50	\$ 50
New York	70	37		
North Carolina	125	125	75	75
North Dakota	60	60	50	50
Ohio	60	60	35	35
Oklahoma	50	50	50	50
Oregon	60	55	50	50
Pennsylvania	125	110	125	110
Puerto Rico	150	150	150	150
Rhode Island	75	75	60	60
South Carolina	110	110	55	55
South Dakota	125	125	50	50
Tennessee	50	50	50	50
Texas	285	275	285	275
Utah	60	60	50	50
Vermont	60	60	55	55
Virgin Islands	50	50	50	50
Virginia	30	30	30	30
Washington	40	20	40	20
West Virginia	80	65	100	85
Wisconsin	80	80	80	80
Wyoming	35	35		

Source of fee rate data: Central Registration Depository (CRD) system

AVERAGE	\$ 69	\$ 66	\$ 66	\$ 60
KANSAS	\$ 55	\$ 55	\$ 55	\$ 55
MEDIAN	\$ 60	\$ 55	\$ 50	\$ 50
MAXIMUM	\$ 285	\$ 275	\$ 285	\$ 275
MINIMUM	\$ 12	\$ 12	\$ -	\$ -

OBSERVATIONS

Kansas fees are significantly lower than the average fees among states.

Kansas fees are within \$5 of the median fee for individual registrations.

Blank means no fee charged by that state (not included in average, etc.)

Office of the Securities Commissioner of Kansas
Survey of Fees Rates for Broker-Dealer (BD) Agents
and Investment Adviser (IA) Representatives
As of January 1, 2015

<u>Rank</u>	<u>State</u>	<u>BD Agents</u>		<u>IA Representatives</u>	
		<u>New</u> <u>Filings</u>	<u>Renewal</u> <u>Filings</u>	<u>New</u> <u>Filings</u>	<u>Renewal</u> <u>Filings</u>
1	Texas	\$ 285	\$ 275	\$ 285	\$ 275
2	Illinois	150	150	150	150
3	Puerto Rico	150	150	150	150
4	Nevada	125	125	110	110
5	North Carolina	125	125	75	75
6	South Dakota	125	125	50	50
7	Pennsylvania	125	110	125	110
8	South Carolina	110	110	55	55
9	New Hampshire	130	100	130	100
10	Connecticut	100	100	100	100
11	Wisconsin	80	80	80	80
12	Alaska	75	75	75	75
13	Arkansas	75	75	75	75
14	Massachusetts	75	75	50	50
15	Rhode Island	75	75	60	60
16	West Virginia	80	65	100	85
17	Delaware	65	65	65	65
18	Michigan	65	65	65	65
19	Alabama	60	60	60	60
20	Louisiana	60	60	-	-
21	New Jersey	60	60	50	50
22	North Dakota	60	60	50	50
23	Ohio	60	60	35	35
24	Utah	60	60	50	50
25	Vermont	60	60	55	55
26	Oregon	60	55	50	50
27	Kansas	55	55	55	55
28	Florida	50	50	50	50
29	Idaho	50	50	30	30
30	Kentucky	50	50	50	50
31	Minnesota	50	50	-	-
32	Mississippi	50	50	50	50

Rank	State	BD Agents		IA Representatives	
		New Filings	Renewal Filings	New Filings	Renewal Filings
33	Missouri	\$ 50	\$ 50	\$ 50	\$ 50
34	Montana	50	50	50	50
35	New Mexico	50	50	50	50
36	Oklahoma	50	50	50	50
37	Tennessee	50	50	50	50
38	Virgin Islands	50	50	50	50
39	Arizona	45	45	40	40
40	D.C.	45	45	45	45
41	Georgia	50	40	250	100
42	Iowa	40	40	30	30
43	Nebraska	40	40	40	40
44	New York	70	37		
45	Maryland	35	35	50	50
46	Wyoming	35	35		
47	Virginia	30	30	30	30
48	Maine	50	25	50	25
49	California	25	25	25	25
50	Hawaii	25	25	25	25
51	Indiana	25	25	25	25
52	Washington	40	20	40	20
53	Colorado	12	12	13	12

Source of fee rate data: Central Registration Depository (CRD) system

AVERAGE	\$ 69	\$ 66	\$ 66	\$ 60
KANSAS	\$ 55	\$ 55	\$ 55	\$ 55
MEDIAN	\$ 60	\$ 55	\$ 50	\$ 50
MAXIMUM	\$ 285	\$ 275	\$ 285	\$ 275
MINIMUM	\$ 12	\$ 12	\$ -	\$ -

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Rank	State	BD Agents		IA Representatives	
		New Filings	Renewal Filings	New Filings	Renewal Filings
1	Texas	\$ 285	\$ 275	\$ 285	\$ 275
2	Illinois	150	150	150	150
3	Puerto Rico	150	150	150	150
4	Pennsylvania	125	110	125	110
5	Nevada	125	125	110	110
6	Georgia	50	40	250	100
7	New Hampshire	130	100	130	100
8	Connecticut	100	100	100	100
9	West Virginia	80	65	100	85
10	Wisconsin	80	80	80	80
11	North Carolina	125	125	75	75
12	Alaska	75	75	75	75
13	Arkansas	75	75	75	75
14	Delaware	65	65	65	65
15	Michigan	65	65	65	65
16	Rhode Island	75	75	60	60
17	Alabama	60	60	60	60
18	South Carolina	110	110	55	55
19	Vermont	60	60	55	55
20	Kansas	55	55	55	55
21	South Dakota	125	125	50	50
22	Massachusetts	75	75	50	50
23	New Jersey	60	60	50	50
24	North Dakota	60	60	50	50
25	Utah	60	60	50	50
26	Oregon	60	55	50	50
27	Florida	50	50	50	50
28	Kentucky	50	50	50	50
29	Mississippi	50	50	50	50
30	Missouri	50	50	50	50
31	Montana	50	50	50	50
32	New Mexico	50	50	50	50

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33	Oklahoma	\$ 50	\$ 50	\$ 50	\$ 50
34	Tennessee	50	50	50	50
35	Virgin Islands	50	50	50	50
36	Maryland	35	35	50	50
37	D.C.	45	45	45	45
38	Arizona	45	45	40	40
39	Nebraska	40	40	40	40
40	Ohio	60	60	35	35
41	Idaho	50	50	30	30
42	Iowa	40	40	30	30
43	Virginia	30	30	30	30
44	Maine	50	25	50	25
45	California	25	25	25	25
46	Hawaii	25	25	25	25
47	Indiana	25	25	25	25
48	Washington	40	20	40	20
49	Colorado	12	12	13	12
50	Louisiana	60	60	-	-
51	Minnesota	50	50	-	-
52	New York	70	37		
53	Wyoming	35	35		

Source of fee rate data: Central Registration Depository (CRD) system

AVERAGE	\$ 69	\$ 66	\$ 66	\$ 60
KANSAS	\$ 55	\$ 55	\$ 55	\$ 55
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4	New Hampshire	130	100	130	100
5	Nevada	125	125	110	110
6	North Carolina	125	125	75	75
7	Pennsylvania	125	110	125	110
8	South Dakota	125	125	50	50
9	South Carolina	110	110	55	55
10	Connecticut	100	100	100	100
11	West Virginia	80	65	100	85
12	Wisconsin	80	80	80	80
13	Alaska	75	75	75	75
14	Arkansas	75	75	75	75
15	Massachusetts	75	75	50	50
16	Rhode Island	75	75	60	60
17	New York	70	37		
18	Delaware	65	65	65	65
19	Michigan	65	65	65	65
20	Alabama	60	60	60	60
21	Louisiana	60	60	-	-
22	New Jersey	60	60	50	50
23	North Dakota	60	60	50	50
24	Ohio	60	60	35	35
25	Oregon	60	55	50	50
26	Utah	60	60	50	50
27	Vermont	60	60	55	55
28	Kansas	55	55	55	55
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30	Georgia	50	40	250	100
31	Idaho	50	50	30	30
32	Kentucky	50	50	50	50

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		New Filings	Renewal Filings	New Filings	Renewal Filings
33	Maine	\$ 50	\$ 25	\$ 50	\$ 25
34	Minnesota	50	50	-	-
35	Mississippi	50	50	50	50
36	Missouri	50	50	50	50
37	Montana	50	50	50	50
38	New Mexico	50	50	50	50
39	Oklahoma	50	50	50	50
40	Tennessee	50	50	50	50
41	Virgin Islands	50	50	50	50
42	Arizona	45	45	40	40
43	D.C.	45	45	45	45
44	Iowa	40	40	30	30
45	Nebraska	40	40	40	40
46	Washington	40	20	40	20
47	Maryland	35	35	50	50
48	Wyoming	35	35		
49	Virginia	30	30	30	30
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7	Nevada	125	125	110	110
8	Connecticut	100	100	100	100
9	West Virginia	80	65	100	85
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11	North Carolina	125	125	75	75
12	Alaska	75	75	75	75
13	Arkansas	75	75	75	75
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15	Michigan	65	65	65	65
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39	Arizona	45	45	40	40
40	Nebraska	40	40	40	40
41	Washington	40	20	40	20
42	Ohio	60	60	35	35
43	Idaho	50	50	30	30
44	Iowa	40	40	30	30
45	Virginia	30	30	30	30
46	California	25	25	25	25
47	Hawaii	25	25	25	25
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