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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 199
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 199's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Lang

Local Impact Statement Procedure Required: No

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Highlights

- The bill lays out prohibitions with respect to the enforcement authority of the Division of Securities. While the total fiscal impact is unclear, it would appear that the Division would conduct fewer enforcement actions as a result of the bill.

Detailed Analysis

Overview

The bill makes some modifications to the Ohio Securities Act pertaining to registrations by coordination, notice filings by business development companies (BDCs), as well as some modifications to the enforcement powers of the Division of Securities. The changes pertaining to registration by coordination and BDCs can be found in the LSC bill analysis. Overall, the changes in the bill would appear to have little fiscal impact on the Division of Securities within the Department of Commerce.

Division of Securities enforcement

The bill modifies the enforcement authority of the Division of Securities with respect to registration of securities. Specifically, the bill prohibits the Division from exercising any enforcement power; suspending, revoking, conditioning, or delaying any registration of securities; or entering any stop order pertaining to registration of securities due to any noncompliance or partial compliance with any requirement or rule, principle of law or policy of the Division that is inconsistent with, or is more stringent than federal laws or rules pertaining to securities. The bill further prohibits the Division from issuing a comment letter concerning a registration by coordination, or issuing any written guidance or interpretation, policy statement, advisory opinion, or other such statement concerning registration by coordination.

Overall, these provisions would appear to reduce some enforcement activities for the Division. The Division is funded by the Division of Securities Fund (Fund 5500), which consists of revenues from various application and renewal fees for securities industry professionals as well as fees from securities registration and exemptions. The Division typically reviews 12,000 securities registrations, and licenses 240,000 securities professionals and investment officers. In FY 2022 the Division secured 13 indictments and eight convictions under the Ohio Securities Act. The Division is appropriated just under \$11.0 million in FY 2024 and \$9.0 million in FY 2025 to conduct enforcement activities.