

Committee on Banking and Insurance

CS/SB 180 — Regulation of Securities

by Banking and Insurance Committee and Senator Gruters

The bill revises provisions of ch. 517, F.S., the Florida Securities and Investor Protection Act (Act), which regulates securities transactions. The Office of Financial Regulation (OFR) regulates and registers the offer and sale of securities in, to, or from Florida by firms, branch offices, and individuals associated with these firms.

Many provisions of the Act are outdated or do not incorporate recent model acts or federal rule changes. The bill provides many technical, clarifying, and conforming changes to update the Act. These changes include provisions that are designed to promote capital formation for small businesses and provide more investment opportunities for investors. The bill provides the following changes:

- Decreases the \$1,000 filing fee to \$200 for offerings that do not exceed the maximum amount provided in s. 3(b) of the Securities Act of 1933 (Act of 1933). The maximum amount currently provided in s. 3(b) of the Act of 1933 is five million dollars.
- Eliminates the requirement for an issuer to register and disclose all material facts regarding the issuer with the OFR. Creates continuing education requirements applicable to representatives or associated persons of state-registered and federal covered investment advisers based on a North American Securities Administrators Association (NASAA) model rule. The representative or associated person must complete 12 hours of specified continuing education credits.
- Creates a registration exemption for investment advisers to private funds based on a NASAA model rule. The bill exempts from registration with the OFR a private fund adviser who acts solely as an adviser to one or more qualifying funds, such as a private equity fund or a venture capital fund, if the private fund adviser:
 - Is not subject to a disqualifying event, such as a fraud conviction or regulatory enforcement action relating to the sale or purchase of any security;
 - Files with the OFR an annual report, including updating amendments, about their business activity, financial data about managed funds, control persons, and disciplinary actions; and
 - Provides disclosures to investors about services, duties, rights, and responsibilities, and meets other specified conditions.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect October 1, 2023.

Vote: Senate 39-0; House 117-0