

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 2, 2017

Agency Submitting: Office of the Secretary of State

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Inspection Fees (Revenue)		\$2,000	\$2,000	\$2,000
Total	0	\$2,000	\$2,000	\$2,000

Explanation

(Use Additional Sheets of Attachments, if required)

Passage of this bill as drafted would have a fiscal impact on the Office of Secretary of State, specifically the loss of inspection fees for periodic inspections for any investment adviser that files under the exemption provided for in the bill. An inspection fee pursuant to 90.415 cannot exceed \$ 1,000 if the inspection occurs in Nevada, and \$ 5,000 if any part of the inspection occurs elsewhere. The number of state inspected investment advisers who could take advantage of this exemption and are subject to periodic inspection is currently estimated at six. That number could vary from year to year depending on an investment adviser changing its business model and becoming able to utilize the exemption, or adding clients who would preclude the use of the exemption. A current estimate of the revenue loss is \$ 2,000 every year for existing licensees eligible for the exemption. If additional investment advisers under state jurisdiction file for this exemption the amount of lost inspection fees would increase proportionately.

Name Cadence Matijevich

Title Operations Deputy

DEPARTMENT OF ADMINISTRATION'S COMMENTS

The agency's response appears reasonable.

Date Wednesday, February 01, 2017

Name Laura E. Freed

Title Exec. Branch Budget Officer