

## **BILL ANALYSIS**

S.B. 1280  
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Pensions, Investments & Financial Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that current language in last session's recodification of The Securities Act might create confusion as well as new phantom causes of action that the legislature did not intend. While this recodification was purportedly a nonsubstantive revision of the act, the recodification mistakenly created new purported, non-fraud, private civil causes of action by cross-referencing provisions of the act that impose no duties on private actors. S.B. 1280 seeks to remedy this situation by making the appropriate corrections to the act's recodification.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1280 amends the Government Code to remove the following from the list of provisions of The Securities Act a violation of which is grounds for a person offering or selling a security to be held liable to a person buying the security:

- provisions establishing requirements for the content of an application for a permit to qualify securities for sale;
- provisions governing the registration of a security by notification or by coordination; and
- provisions relating to the rules for an exemption from registration requirements.

### **EFFECTIVE DATE**

January 1, 2022.