



T.RowePrice

February 17, 2026

The Honorable William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 631 (Corporations and Associations – Revisions) – Favorable

Dear Chair Smith and Members of the Senate Judicial Proceedings Committee:

On behalf of T. Rowe Price, I am writing to express our support for Senate Bill 631 (Corporations and Associations – Revisions) introduced by Senators West and Waldstreicher on behalf of the Business Law Section of the Maryland State Bar Association.

T. Rowe Price is a global asset manager, proudly headquartered in Baltimore since our founding in 1937, with \$1.8 trillion in assets under management as of January 31, 2026. T. Rowe Price provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries.

Many mutual funds, which are technically referred to as “open-end investment companies registered under the Investment Company Act of 1940,” are organized as Maryland corporations. Indeed, all of the open-end mutual funds sponsored by T. Rowe Price are domiciled this way.

SB 631 would amend Maryland Corporate Law to allow a mutual fund board of directors to effect corporate actions through written consent of a majority of board members. This change makes common sense. By allowing this flexibility, it would align Maryland Corporate Law to existing Maryland Statutory Trust Law¹ and the relevant laws in Delaware and Massachusetts.² This is important because mutual funds are most commonly organized in Delaware, Massachusetts, and Maryland, using specific legal structures in each jurisdiction. That choice depends on factors such as tax efficiency, investor base, regulatory environment, and operational needs, and the percentage of investment companies organized in these jurisdictions has varied over time as asset management companies seek out attractive jurisdictions. As of

¹ Section 12-404(b)(1) of the Maryland Statutory Trust Law permits trustees to take action without a meeting by written consent with not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all trustees entitled to vote on the matter were present and voted.

² Both Massachusetts and Delaware law permit boards organized in those states to conduct board action by written consent, either as determined in its governing document or by a majority of their board members. *See* 12 Delaware code Section 3806(g) (2024). Massachusetts business law code is silent as to such requirements.

year-end 2024, according to the Investment Company Institute, Maryland was the third most popular domicile for mutual funds with a 15% share; Delaware led with 43% and Massachusetts was second with 37%. This common sense amendment will help keep Maryland competitive as a top-three preferred domicile for mutual funds.

Two additional points are worth noting. This amendment would not allow a mutual fund domiciled as a Maryland corporation to do anything not permitted by federal law – proposed Section 2-408(f) would **not** override any regulatory requirements under the Investment Company Act of 1940. Where that federal law requires board action, it only requires approval of a majority of the members of the board entitled to vote, not unanimous approval.³

Second, this amendment does not affect the board’s fiduciary duties. Whether this amendment is ultimately enacted or not, boards of Maryland domiciled mutual funds are and will remain subject to their fiduciary obligations to the fund and its investors.

We appreciate the Business Law Section’s inclusion of this common sense provision in their annual list of amendments and updates to Maryland’s corporate laws.

We truly appreciate your consideration and urge a Favorable report on Senate Bill 631.

Sincerely,



Fran Pollack-Matz
Vice President and Secretary,
T. Rowe Price Funds



Bob Grohowski
VP, Managing Legal Counsel
Head of Legislative and Regulatory Affairs

³ See, for example, 15 U.S. Code Section 80a-15(c) and 17 CFR Section 270.12b-1(b)(3), which require approval of a majority of independent directors.