

# HOUSE BILL 1278

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By: **Delegates Fisher, Boteler, Dwyer, George, and Serafini**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Corporations and Associations – “Crowdfunding” Laws – Restrictions and**  
3 **Compliance**

4 FOR the purpose of prohibiting the Securities Commissioner of the Division of  
5 Securities from issuing any orders or adopting any rules, forms, or regulations  
6 regarding issuers, securities, and funding portals that are regulated under a  
7 certain federal Act concerning a means of raising capital known as  
8 “crowdfunding”; specifying that any issuer, security, or funding portal that is  
9 regulated under the federal Act and is in compliance with the federal Act is  
10 deemed to be in compliance with certain provisions of State law; defining a  
11 certain term; and generally relating to issuers, securities, and funding portals  
12 regulated under federal law.

13 BY adding to

14 Article – Corporations and Associations  
15 Section 11–104  
16 Annotated Code of Maryland  
17 (2007 Replacement Volume and 2012 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Corporations and Associations**

21 **11–104.**

22 **(A) IN THIS SECTION, “FEDERAL ACT” MEANS THE FEDERAL CAPITAL**  
23 **RAISING ONLINE WHILE DETERRING FRAUD AND UNETHICAL**  
24 **NON-DISCLOSURE ACT OF 2012, ALSO KNOWN AS THE “CROWDFUND ACT”.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) THE COMMISSIONER MAY NOT ISSUE ANY ORDERS OR ADOPT ANY**  
2 **RULES, FORMS, OR REGULATIONS REGARDING ISSUERS, SECURITIES, AND**  
3 **FUNDING PORTALS THAT ARE REGULATED UNDER THE FEDERAL ACT.**

4           **(C) ANY ISSUER, SECURITY, OR FUNDING PORTAL THAT IS REGULATED**  
5 **UNDER THE FEDERAL ACT AND IS IN COMPLIANCE WITH THE PROVISIONS OF**  
6 **THE FEDERAL ACT SHALL BE DEEMED TO BE IN COMPLIANCE WITH ANY**  
7 **APPLICABLE STATE LAWS AND REGULATIONS REGULATING SECURITIES.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2013.