



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**TESTIMONY OF DELEGATE PAM QUEEN**  
**HB 686 – Financial Regulation – Modernizing Licenses of Non-Depository**  
**Institutions & Elimination of Branch License Requirements**  
**SUPPORT**

Greetings Chair Melony Griffith, Vice-Chair Katherine Klausmeier, and members of the Senate Finance Committee:

HB 686 modernizes Maryland's license fee structure and use practices like other states. This bill eliminates the concept of a "branch" license fee and replaces it with an updated fee structure involving the issuance of one license and fee per entity, plus a variable, annual assessment.

The new structure retains other existing requirements for licensure (such as bonding, etc.) although these requirements are modified to account for a single license and the disclosure of locations. Also, these proposed changes do not impact any consumer protections laws that these financial service providers must follow.

The Office of the Commissioner of Financial Regulations (OCFR) wants this change and expects that upon the initial implementation of the bill, due to the current balance of the non-depository fund, many licensed entities will see a substantial reduction in their fees. Once the program is fully implemented, which is expected in two years after enactment, OCFR will set assessments according to the statutory factors with the intent of matching income from fees to the cost of operating the agency.

This bill is lengthy (72 pages) because it updates the non-depository licensing fee structure for each kind of entity OCFR licenses. There are nine types found in various articles of the Maryland Code. The same provisions are being repeated for each section of the code that applies to each type of licensed entity.

This bill passed out of the House Economic Matters Committee unanimously and passed out of the House chambers unanimously. I seek a favorable recommendation from the Senate Finance Committee.