



March 21, 2025

Senate Finance Committee

Honorable Chairwoman Pamela Beidle
Miller Senate Office Building, Room 3
11 Bladen Street
Annapolis, MD 21401

Re: Support House Bill 992 - Maryland Franchise Registration and Disclosure Law

Dear Chairwoman Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee:

This letter is submitted on behalf of the International Franchise Association (“IFA”), the largest trade organization representing franchising, including the more than **16,000 franchised businesses** operating in Maryland that employ more than **173,000 Maryland workers** and contribute approximately **\$18.1 billion** to the state’s economy. IFA applauds the efforts of Delegate Marc Korman to increase opportunities for entrepreneurship, introduce new jobs, and grow the Maryland economy through franchising by establishing a franchise registration renewal pilot program under House Bill 992. The pilot program will allow existing franchisors to expedite renewal of their franchise registrations under Maryland Registration and Disclosure Law, reducing the time during which franchisors are unable to engage in the sale of new franchises or transfer of existing franchises in the State and alleviating some of the burden experienced by the Maryland Attorney General in processing thousands of new and renewal registration applications in April each year. **The pilot program will position Maryland as the first franchise registration state to proactively take steps to address the strain put on the resources of the Attorney General by the rising volume of franchise registrations each year**, and other franchise registration states have already signaled they will look to the pilot program proposed by Delegate Korman as a model in establishing similar pilot programs within their States.

We further support the efforts of Delegate Korman to promote collaboration among franchisors and their franchisees through open communications with franchise advisory

councils and independent franchisee associations, as set forth in IFA's Responsible Franchising Principles.¹

Finally, IFA acknowledges the need for amendments to the Maryland Franchise Registration and Disclosure Law to extend the limitations period to five years during which the Attorney General may bring enforcement actions and to extend the limitations period to five years for franchisees who may not open their franchised business to the public within the existing three-year limitations period for claims. IFA therefore does not oppose the extension of the limitations period for enforcement actions and claims to five years.

Maryland was recently named one of the top 10 states for franchise growth.² The registration renewal program under House Bill 992 promotes the continuation of that growth, encouraging investment in small businesses and driving entrepreneurship.

For the reasons stated above, IFA encourages a favorable report from the Senate Committee on Finance to pass House Bill 992.

Thank you for your consideration. If you have any questions, please contact me at mkagel@franchise.org or 202-662-4176.

Respectfully,

A handwritten signature in black ink, appearing to read 'MKAGEL', with a horizontal line extending to the right.

Matthew W. Kagel
Director, State & Local Government Relations
International Franchise Association

¹ <https://www.franchise.org/advocacy/responsible-franchising/>

² FRANData, 2025 Franchising Economic Outlook Report, <https://www.franchise.org/franchising-economic-outlook/>.