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March 21, 2025

TO: The Honorable Pam Beidle
Chair, Finance Committee

FROM: Melanie Senter Lubin
Securities Commissioner, Securities Division, Office of the Attorney
General

RE: HB992 – Franchise Reform Act - **Favorable**

The Office of the Attorney General's (OAG) Securities Division (Securities Division) urges this Committee to favorably report **HB 992**, the Franchise Reform Act. This legislation, sponsored by Delegate Mark Korman, would amend the Maryland Franchise Registration and Disclosure Law (Maryland Franchise Law) to modify the statute of limitations for an action brought by the Securities Division for violations of the Maryland Franchise Law; establish a pilot program to expedite review of franchise renewal filings; allow for freedom of association amongst franchisees to enable them to create franchisee trade associations; and amend the statute of limitations for private causes of action under the Maryland Franchise Law.

The proposed changes to the Maryland Franchise Law are beneficial to franchisors, franchisees and the Securities Division. Thus, in addition to the Securities Division, **HB 992** is supported by the Business Section of the Maryland State Bar Association (MSBA) and the International Franchise Association (IFA). Delegate Korman worked closely with the Securities Division, the MSBA and the IFA to develop legislation that addresses areas of mutual concern without imposing additional regulatory requirements on franchisors or compromising franchisee protections afforded by the Maryland Franchise law.

For the above reasons, the Office of the Attorney General requests a favorable report on **House Bill 992**.

CC: The Honorable Mark Korman