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Bill: House Bill 968 - Corporations and Associations – Maryland Securities Act – Filing Fees

Committees: House Economic Matters

Position: Support

Date: February 27, 2026

The Maryland State Bar Association (the “MSBA”), through its Sections and Board of Governors, annually reviews proposed legislation including legislation that may affect Maryland businesses. MSBA monitors and takes positions on legislation that protects the legal profession, preserves the integrity of the judicial system, and ensures access to justice for Marylanders. For the reasons discussed below, the MSBA supports House Bill 968 - Corporations and Associations – Maryland Securities Act – Filing Fees.

HB 968 would, primarily, increase the existing fee, from \$100 to \$250, for initial filings of a notice of offer or sale of certain federal covered securities, in particular, those conducted pursuant to Regulation D promulgated under the Securities Act of 1933 (“Form D Filings”). This fee is payable when a business seeking capital investment, and relying on a federal securities exemption from registration, receives an investment from individuals or entities located in Maryland.

Promoting Business Innovation and Growth

MSBA supports smart business policies that promote growth and innovation for law firms and businesses, attract new companies to the state, and increase state revenue. HB 968 keeps Maryland both efficient and competitive by harmonizing Maryland’s fee structure with our neighboring mid-Atlantic states. While MSBA generally opposes fee increases, we believe this adjustment is a positive change that will generate funds that support the broader economic environment necessary for businesses to succeed in the state. The bill’s Fiscal and Policy Note estimates the fund will increase general fund revenues by approximately \$383,625 in fiscal year 2027 and \$511,500 annually thereafter.

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Regional Competitiveness

The MSBA supports the proposed increase for initial Form D Filings. We note that HB 968 would bring Maryland's fee for Form D Filings more in line with nearby jurisdictions, and in many cases, more affordable than those states, as set forth below:¹

- DC: \$250
- DE: \$200 - \$1,000
- NY: \$300 - \$1,200
- VA: \$250
- WV: \$125
- NJ: \$750
- PA: \$525

Fee Should Not Deter Maryland Filings

Further, the proposed increase in the initial fee for Form D Filings would not have a negative impact on the business environment in Maryland, while raising additional revenue for Maryland. A Form D Filing and the related fee is required if any of the investors in the applicable offering are located in Maryland, regardless of where the company is incorporated or located.

Therefore, no matter what this fee was, it would not impact a company's decision whether to incorporate, locate, or do business in Maryland; this is certainly the case here, where the proposed increase would raise the fee only to a level that would be consistent with or lower than the corresponding fee in the most likely alternative jurisdictions that a company considering forming and/or operating in Maryland would also consider, as set forth above. In addition, based on the relevant experience of MSBA members that practice in this area, in the context of a securities offering, a \$250 expense is minimal and as a practical matter would not impact a company's decision as to whether to offer securities here; candidly, a company conducting a securities offering in which the Form D Filing was required would barely notice or pay any attention to the fee at all.

Intrastate Small Business Exemption

HB 968 would also increase the existing filing fee, also from \$100 to \$250, for the submission of the required filing under the Maryland Intrastate Small Business Exemption for offers and sales of promissory notes by Maryland entities solely to Maryland residents where (among other requirements) the aggregate offering price during any 12-month period does not exceed \$100,000 and the total consideration paid by any purchaser of such securities in the offering does not exceed \$100. Based on MSBA members' experience and discussions with the Maryland Securities Commissioner, we believe that this exemption has been used sparingly, if at all.

¹ EFD - Form D Fee Schedule, as of January 1, 2026, North American Securities Administrators Association ("NASAA") available at <https://www.nasaa.org/wp-content/uploads/efd/Form-D-fees-matrix.pdf>.

HB 968 is a pragmatic update to Maryland's business statutes. It brings our state into alignment with regional standards, supports the state's fiscal health, and would have minimal, if any, impact on Maryland businesses or businesses offering securities in Maryland. For these reasons, the MSBA requests a favorable report on HB 968.

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