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March 3, 2026

TO: The Honorable Kriselda Valderrama
Chair, Economic Matters Committee

FROM: Tiffany Clark
Director, Legislative Affairs, Office of the Attorney General

RE: House Bill 968 – Corporations and Associations – Maryland Securities Act
– Filing Fees (Support in Concept)

The Office of the Attorney General (OAG) supports in concept House Bill 968 - Corporations and Associations – Maryland Securities Act – Filing Fees. HB 968 increases Form D and federal covered securities filing fees under the Maryland Securities Act from \$100 to \$250.

This legislation supports our efforts to ensure that the Securities Division has the resources necessary to fulfill its investor protection mission. The Securities Division serves as a critical line of defense for Maryland investors, regulating the securities industry to prevent fraud and ensure market integrity - work that cannot continue without a stable funding base.

That funding base is under serious strain. Most securities fees have remained static for 25 to 35 years: Franchise and Investment Adviser fees were last increased in 1990, Corporate Finance fees in 1996, and many fees have never been increased at all. The only exception has been broker-dealer agent fees, raised incrementally to \$65 in 2025. This matters significantly because the Securities Fund's sole source of revenue is its share of those broker-dealer agent fees which is just 12.2% of all securities fees collected. That already-narrow revenue base has been further strained by General Fund reductions shifted onto the Securities Fund under the 2025 BRFA, leaving the fund projected to reach a diminished balance in FY2027. HB 968's fee increases represent a meaningful and overdue step toward addressing that imbalance.

However, the OAG respectfully requests that a portion of the increased fee — specifically \$150 of the \$250 fee — be directed to the Securities Division's dedicated fund rather than to the

General Fund. As currently drafted, all fee revenue would flow to the General Fund, providing no direct benefit to the Division responsible for processing these filings and enforcing the Act. Ensuring that a meaningful share of the increased fees supports the Securities Division would align the revenue with the operational costs the fee is designed to offset and strengthen the Division's capacity to protect Maryland investors.

We appreciate Delegate Amprey's work on this important issue and welcome the opportunity to work collaboratively with the sponsor and Committee on the amendment described above.

Cc: Members of the Committee