

**Changes to Department of Financial Regulation Fees
Ted Barnett, Joint Fiscal Office
Senate Committee on Finance, 4/10/2025**

Statutory Reference	Fee Type	Fund Name	Approximate Number of Filings	Year Last Changed	Current Fee	New Fee Amount	Current Law – FY23 Revenue	Estimated FY25 Revenue with Fee Adjustment	Estimated FY26 Revenue with Fee Adjustment	Difference – FY25
8 VSA §4800(2)(A)(iii)	Insurance Appointments	Insurance Regulatory & Supervision	425,000	2022	60	75	25,500,000	31,875,000	31,875,000	6,375,000
9 VSA 5302€	Regulation D Rule 506/Regulation A, Tier 2 Notification and Renewal	General Fund	1,172	2008	600	820	703,200	961,040	961,040	257,840
9 VSA 5302(f)	Investment Company Act Offerings Notification	General Fund	2,418	2022	2,000	2,250	4,836,000	5,440,500	5,440,500	604,500
9 VSA 5302(f)	Investment Company Act Offerings Renewal	General Fund	21,799	2022	1,650	2,000	35,968,350	43,598,000	43,598,000	7,629,650
9 VSA §5410(b)	Broker-Dealer Agent – Application, Renewal and Change of Registration	Securities Regulatory & Supervision	116,000	2019	120	140	13,920,000	16,240,000	16,240,000	2,320,000
Total							83,823,100	101,010,090	103,328,755	17,186,990

Revenue Summary

Fee Type	FY 2025 Revenue
Securities Registrations	8,491,990
Other DFR Fees	8,695,000
Total	17,186,990

Fee Types and Background Information:

Insurance Producer:

- Producer fees are assessed on individual licensed by a state regulatory agency to sell insurance in Vermont¹
- Fees on producers are biennial, most licenses renew in even years
- Fees have not been increased since 1999
- Producer fees are subject to the retaliatory regime, so fee amount interact with other state fee amounts.

Insurance Appointments:

- Appointment fees are paid by carriers
- Appointment fees were converted from biennial to annual fees in FY 2022. This change conformed with how the majority of states process registrations.²

Securities Registrations:

- Regulation D, Rule 506 and Regulation A, Tier 2
 - Regulation D, Rule 506 Fee filings come from private equity offerings
 - Vermont's fee is among the highest nationwide (New York and Delaware have sliding fees that could charge more than \$600 on large offerings)
 - Fee paid upon actual sale as opposed to solicitation
- Regulation A, Tier 2
 - Designed for mid-cap issuers on the path to potential offerings on public stock exchanges
 - Many states have sliding scale fees connected with the size of the maximum offering
- Fees for these types of registration were last changed in 2008
- Investment Company Act Offerings
 - Apply to both mutual funds and unit investment trusts
 - Managers of a unit investment trust buy a fixed portfolio of investments and hold that investment until a given date. Unit investment trusts have a fixed number of shares that cannot be merged or split³
 - Fees are due at solicitation of the investment, rather than the sale of the security
 - Fees are assessed according to share class. Share classes often differ on how they charge investor fees
 - Proposed increases would likely make Vermont the highest in the country

Broker-Dealer Agent:

- A broker is “any person engaged in the business of buying or selling securities for the account of others” a dealer is any person engaged in the buying or selling of securities but for their own account.”⁴
- Last changed in 2019

¹ <https://dfr.vermont.gov/industry/insurance/producer-and-individual-licensing/apply-and-renew-your-license/producer-license>

² <https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Ways%20and%20Means/Bills/H.527/W~Michael%20Piecniak~DFR%20Overview%20of%20Proposal~2-8-2019.pdf>

³ <https://www.investor.gov/introduction-investing/investing-basics/glossary/unit-investment-trusts-uits>

⁴ <https://www.sec.gov/files/oasb-broker-dealer-building-block.pdf>