

Changes to Department of Financial Regulation Fees – UPDATED ESTIMATES
Ted Barnett, Joint Fiscal Office
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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	Difference - FY25	Difference - Full Year
8 VSA §4800(2)(A)(iii)	Insurance Appointments	Insurance Regulatory & Supervision	394,337	2019	60	80	23,660,215	31,546,953	5,915,054	7,886,738
9 VSA 5302(e)	Rule D/ Regulation A, Tier 2 Notification and Renewal	General Fund	1,172	2008	600	820	703,200	961,040	257,840	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	604,500	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	7,629,650	7,629,650
9 VSA §5410(b)	Broker Dealer Agent - Application, Renewal and Change of Registration	Securities Regulatory & Supervision	140,000	2019	120	140	16,800,000	19,600,000	2,800,000	2,800,000
Total							81,967,765	101,146,493	17,207,044	19,178,728

Revenue Summary

	Estimated FY 2025 Revenue
Securities Registrations	8,491,990
Other DFR Fees	8,715,054
Total	17,207,044

Fee Types and Background Information:

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.¹
- This adjustment would make Vermont's fees the highest in the country. Current Maine charges \$70 to nonresident carriers and Massachusetts charges \$75.

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 split²
 - 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."³
- Last changed in 2019

¹ <https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Ways%20and%20Means/Bills/H.527/W~Michael%20Pieciak~DFR%20Overview%20of%20Proposal~2-8-2019.pdf>

² <https://www.investor.gov/introduction-investing/investing-basics/glossary/unit-investment-trusts-uits>

³ <https://www.sec.gov/files/oasb-broker-dealer-building-block.pdf>