

April 2019 Advocacy Highlights

2019 has been an active time with both state and federal activity. Below are highlights of our advocacy efforts.

State Fiduciary Rules

Over the past year, state activity around the establishment of appropriate standards of conduct for financial professionals has increased dramatically. We believe pending fiduciary and best interest legislation and regulations in New York, Nevada, and New Jersey have potential far-reaching impacts to brokerage business, just as we've seen with similar initiatives by the DOL and the SEC.

On February 4, 2019, the Maryland Senate and House introduced fiduciary legislation as part of the Financial Consumer Protection Act of 2019 that requires broker-dealers, insurance producers, investment advisors, and federally covered advisors to "act in the best interest of the consumer without regard to the financial or other interest of the person or firm providing the advice." LPL's advocacy efforts included participating in House and Senate hearings and submitting [comment letters](#) to the Maryland state legislators. LPL Maryland advisor Larry Leitch testified on March 13, to share his perspective on the proposed legislation. On April 2, the Maryland Senate Finance Committee voted unanimously against the bill. A very brief article about this turn of events may be found [here](#).

In addition to Maryland, LPL sought to raise the profile of the Firm and our advisors by advocating among legislators in New York and regulators in Nevada for adoption of a clear, consistent and workable best interest standard that will provide meaningful investor protection. LPL submitted comment letters to [New York Senator Jeffrey Dinowitz](#) and the [Nevada Securities Division](#).

LPL will continue to advocate on this issue to ensure our perspectives are clearly heard by those formulating new laws and regulations impacting our advisors, their clients, and our business. We appreciate all of you who signed onto comment letters and are active in our advocate efforts.

Tax Cuts and Jobs Act

On March 23, the House Ways & Means Committee held a hearing entitled, "The 2017 Tax Law and Who It Left Behind." Dan Arnold submitted [written testimony](#) expressing our view that independent financial advisors are disadvantaged, since they are unable to benefit from the pass through deduction provision in section 199A and suggesting amendments to resolve this matter.

Retirement Security

Chairman Grassley and Ranking Member Wyden recently introduced the Retirement Enhancement and Savings Act (RESA) of 2019, while Chairman Neal and Ranking Member Brady introduced the House companion bill, Setting Every Community Up for Retirement Enhancement Act (SECURE Act). On April 2, the SECURE Act was passed by the House Committee on Ways and Means with bipartisan support. On April 5, 2019 we submitted letters in support of both [RESA](#) and [SECURE Act](#).