



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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March 31, 2026

The Honorable Tim Scott (R-SC)
Chairman
U.S. Senate Committee on Banking, Housing,
and Urban Affairs
Washington, DC 20510

The Honorable Elizabeth Warren (D-MA)
Ranking Member
U.S. Senate Committee on Banking, Housing,
and Urban Affairs
Washington, DC 20510

RE: NCSL Calls on Congress to Preserve State Authority and Investor Protections in Market Structure Legislation

Dear Chairman Scott and Ranking Member Warren:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),¹ I write to share with you a letter signed by the leadership of the National Conference of State Legislatures’ (“NCSL”) Financial Service and Insurance Standing Committee. NCSL urges Congress to preserve state enforcement authority, maintain regulatory parity across technologies, and protect state licensing and registration frameworks as Congress considers the Digital Asset Market Clarity Act and the Digital Commodity Intermediaries Act. I appreciate your continued attention to the many stakeholders who, like NASAA, are calling on Congress to prioritize investor protections and the preservation of state authorities in these critical negotiations over the future of our markets.

Should you or your colleagues have any questions, please do not hesitate to contact Kristen Hutchens, NASAA’s Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,

Marni Rock Gibson
NASAA President

Enclosure

¹ NASAA’s membership includes state securities and commodities regulators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam, as well as regulators from Canada and México.



March 20, 2026

The Honorable Tim Scott
Chairman, Senate Committee on Banking,
Housing & Urban Affairs Committee
104 Hart Senate Office Building
Washington, DC 20510

The Honorable Elizabeth Warren
Ranking Member, Senate Committee on
Banking, Housing & Urban Affairs Committee
311 Hart Senate Office Building
Washington, DC 20510

Marcus C. Evans Jr.

President, NCSL
Assistant Majority Leader,
Illinois

Lonnie Edgar

Staff Chair, NCSL
Mississippi Joint Legislative
PEER Committee

Tim Storey

Chief Executive Officer,
NCSL

RE: NCSL Urges Congress to Preserve State Authority and Protect Investors in Federal Market Structure Legislation

Dear Chairman Scott and Ranking Member Warren:

On behalf of the National Conference of State Legislatures, we appreciate the time and attention the Senate Committee on Banking, Housing and Urban Affairs has devoted to examining digital asset market structure and related investor protection issues. NCSL is the bipartisan organization representing the legislatures of the 50 states, the District of Columbia and U.S. territories. NCSL's mission is to advance the effectiveness, independence and integrity of state legislatures and to ensure that state policymakers have a strong voice in federal policy discussions that affect their authority and responsibilities.

As Congress considers the Digital Asset Market Clarity Act (CLARITY Act) and the Digital Commodity Intermediaries Act (DCIA), we write to underscore the importance of preserving state authority, maintaining regulatory parity and protecting the licensing and registration frameworks that are central to investor protection.

Across the country, state securities regulators are confronting a growing number of sophisticated online frauds and investment scams involving digital assets. Older Americans, retirees and first-time investors are frequently targeted by bad actors who exploit regulatory uncertainty, technological complexity and gaps in oversight. As federal legislation moves forward, it is critical that efforts to promote innovation do not unintentionally weaken the long-standing protections that investors depend on.

For decades, the federal-state system of securities regulation has functioned as a complementary and cooperative framework. State regulators serve as front-line protectors, often identifying emerging fraud trends early and responding quickly to protect investors in their communities. Congress should reinforce this partnership, not disrupt it.

Preserve State Enforcement Authority

State securities and commodities regulators play a critical role in investigating and stopping fraud, particularly schemes targeting seniors and other vulnerable populations. States have

invested heavily in enforcement tools and programs designed to detect financial exploitation early and intervene before losses become irreversible. Final legislation should include clear savings clauses ensuring that nothing in federal law limits or preempts state antifraud, investigative or enforcement authority. Any erosion of these powers risks creating regulatory blind spots that bad actors will exploit.

Maintain Regulatory Parity Across Technologies

NCSL strongly supports the principle that investor protections should apply consistently, regardless of the technology used to issue or trade an asset. We support provisions, such as Section 505 of the CLARITY Act, that recognize parity between on-chain and off-chain securities. An investment should not receive different regulatory treatment simply because it is facilitated through distributed ledger technology rather than traditional market infrastructure. Retail investors deserve the same protections in digital markets that they receive elsewhere.

Protect State Licensing and Registration Frameworks

Equally important is the preservation of state authority to license and register securities firms, intermediaries and professionals operating within their jurisdictions. State licensing and registration requirements promote accountability, allow regulators to monitor market participants and provide critical protections for investors. Federal market structure legislation should not displace or undermine these systems, which are foundational to investor confidence and market integrity.

By preserving state authority, maintaining regulatory parity and protecting licensing and registration systems, Congress can support responsible innovation while ensuring that investor protections remain strong. Coordinated federal-state oversight is not a barrier to innovation, it is essential to sustaining public trust in evolving financial markets.

We appreciate your consideration of these views and welcome the opportunity to continue working with the committee as this legislation moves forward. For further discussion or information, please contact any one of us or NCSL Senior Legislative Director [Barrie Tabin](#).

Respectfully,



Rep. Jim Dunnigan, Utah
NCSL Co-Chair Banking, Financial Service and Insurance
Standing Committee
Utah House of Representatives



Rep. Brenda Carter, Michigan
NCSL Vice-Chair Banking, Financial Service and Insurance
Standing Committee
Michigan House of Representatives



Sen. Michael Moore, Massachusetts
NCSL Co-Chair Banking, Financial Service and Insurance
Standing Committee
Massachusetts State Senate



Rep. Michael Meredith, Kentucky
NCSL Vice-Chair Banking, Financial Service and Insurance
Standing Committee
Kentucky House of Representatives
