

HOUSE BILL 204

C1, P2

01r0653

By: **Delegates Qi, Adams, Arentz, Bhandari, Brooks, Carr, Charles, Crosby, Crutchfield, Fennell, Guyton, Krimm, R. Lewis, Queen, Rogers, Shetty, Valderrama, C. Watson, Wilkins, and P. Young**

Introduced and read first time: January 16, 2020

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Corporations and Associations – Disadvantaged Business Enterprises and**
3 **Veteran-Owned Small Business Enterprises – Filing Fee Exemption and Study**

4 FOR the purpose of requiring the State Department of Assessments and Taxation to waive
5 certain document filing fees for certain entities certified under the federal
6 Disadvantaged Business Enterprise Program and certain veteran-owned small
7 business enterprises; requiring the Department to study and make
8 recommendations regarding certain filing fees on or before a certain date; and
9 generally relating to filing fees for disadvantaged business enterprises and
10 veteran-owned small business enterprises.

11 BY repealing and reenacting, without amendments,
12 Article – Corporations and Associations
13 Section 1–203(b)(3)(ii)
14 Annotated Code of Maryland
15 (2014 Replacement Volume and 2019 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Corporations and Associations
18 Section 1–203(b)(13)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2019 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

23 **Article – Corporations and Associations**

24 1–203.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(b) (3) (ii) Except as provided in paragraph (13) of this subsection, for each of the following documents which are filed but not recorded, the filing fee is as indicated:

Annual report of a Maryland corporation, except a charitable or benevolent institution, nonstock corporation, savings and loan corporation, credit union, family farm, and banking institution \$300

Annual report of a foreign corporation subject to the jurisdiction of this State, except a national banking association, savings and loan association, credit union, nonstock corporation, and charitable and benevolent institution \$300

Annual report of a Maryland savings and loan association, banking institution, or credit union or of a foreign savings and loan association, national banking association, or credit union that is subject to the jurisdiction of this State..... \$300

Annual report of a Maryland limited liability company, limited liability partnership, limited partnership, or of a foreign limited liability company, foreign limited liability partnership, or foreign limited partnership, except a family farm..... \$300

Annual report of a business trust \$300

Annual report of a real estate investment trust or foreign statutory trust doing business in this State..... \$300

Annual report of a family farm \$100

(13) [Beginning in fiscal year 2022, the] **THE** Department shall waive the filing fee for a business entity described under paragraph (3)(ii) of this subsection:

(I) BEGINNING IN FISCAL YEAR 2022, for each year that the entity provides evidence to the Department that:

[(i)] 1. The entity is required to comply with and is in compliance with Title 12 of the Labor and Employment Article; or

[(ii)] 2. The entity otherwise provides an employer-offered savings arrangement, as defined in § 12-101(e) of the Labor and Employment Article, that is in compliance with federal law; **AND**

(II) FOR THE FIRST 3 YEARS THAT THE ENTITY IS:

1. CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE PROGRAM; OR

2. A VETERAN-OWNED SMALL BUSINESS ENTERPRISE,

1 AS DEFINED IN § 14-601 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

2 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1, 2021,
3 the State Department of Assessments and Taxation shall:

4 (1) review the filing fees and associated requirements of neighboring states
5 that are equivalent or substantially similar to the filing fees required under § 1-203(b)(3)(ii)
6 of the Corporations and Associations Article; and

7 (2) report to the General Assembly, in accordance with § 2-1257 of the
8 State Government Article, recommendations to make Maryland more competitive with
9 neighboring states, including whether to establish less frequent filing requirements,
10 decrease fees, or establish a sliding fee scale.

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2020.