

Chapter 42

(Senate Bill 283)

AN ACT concerning

Annual Curative Bill

FOR the purpose of generally curing previous Acts of the General Assembly with possible title defects; requiring the State Department of Education or the Governor to appoint a member of the Maryland Advisory Council for Virtual Learning in the event of a vacancy; prohibiting a member of the Council from receiving compensation but authorizing the reimbursement of certain expenses; providing for the effect and construction of certain provisions of this Act; making this Act an emergency measure; and generally repealing and reenacting without amendments certain Acts of the General Assembly that may be subject to possible title defects in order to validate those Acts.

BY repealing and reenacting, without amendments,
Article – Corporations and Associations
Section 4A–601 through 4A–606.1
Annotated Code of Maryland
(2007 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 7–10B–04
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Environment
Section 9–206(j)(1)
Annotated Code of Maryland
(2007 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Estates and Trusts
Section 13–324
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 8–704.1 and 8–1808.2(d)

Annotated Code of Maryland
(2012 Replacement Volume)

BY repealing and reenacting, without amendments,
Chapter 485 of the Acts of the General Assembly of 2009, as amended by
Chapter 483 of the Acts of the General Assembly of 2010 and Chapter 444
of the Acts of the General Assembly of 2012
Section 1(3) Item QB08.02(A)

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

Article – Corporations and Associations

4A–601.

- (a) A person becomes a member of a limited liability company at:
- (1) The time the limited liability company is formed;
 - (2) A later time specified in the operating agreement; or
 - (3) The time specified in § 4A–902(b)(1) of this title relating to continuation of the limited liability company after there are no remaining members.
- (b) After the formation of a limited liability company, a person may be admitted as a member:
- (1) In the case of a person acquiring a membership interest directly from the limited liability company, upon compliance with the operating agreement or, if the operating agreement does not so provide, upon the unanimous consent of the members;
 - (2) In the case of an assignee of the economic interest of a member, only as provided in § 4A–604 of this subtitle; or
 - (3) In the case of a personal representative or successor to the last remaining member who is not an assignee of the last remaining member, as provided in § 4A–902(b)(1) of this title.
- (c) Unless otherwise agreed, a person may be admitted as a member of a limited liability company and may be the sole member of a limited liability company without:
- (1) Making a capital contribution to the limited liability company;

(2) Being obligated to make a capital contribution to the limited liability company; or

(3) Acquiring an economic interest in the limited liability company.

4A-602.

A membership interest in a limited liability company is personal property.

4A-603.

(a) Unless otherwise agreed:

(1) Only an economic interest in a limited liability company may be assigned; and

(2) An economic interest is wholly or partly assignable.

(b) An assignment of an economic interest in a limited liability company does not:

(1) Dissolve the limited liability company; or

(2) Entitle the assignee to:

(i) Become a member; or

(ii) Exercise any rights of a member, including the noneconomic interest of the assignor.

(c) If an assignee of an economic interest in a limited liability company becomes a member of the limited liability company, the assignor is not released from the assignor's liability under § 4A-502 of this title to the limited liability company.

(d) On assignment of all of a member's economic interest in a limited liability company, the member ceases to be a member of the limited liability company and forfeits the member's noneconomic interest in the limited liability company.

(e) The pledge or grant of a security interest, lien, or other encumbrance in or against all or a part of the economic interest of a member does not cause the member to cease to be a member or affect the member's noneconomic interest in the limited liability company.

4A-604.

(a) An assignee of an economic interest in a limited liability company may become a member of the limited liability company under any of the following circumstances:

(1) In accordance with the terms of the operating agreement providing for the admission of a member;

(2) By the unanimous consent of the members; or

(3) If there are no remaining members of the limited liability company at the time the assignee obtains the economic interest, on terms that the assignee may determine in accordance with § 4A-902(b)(1) of this title.

(b) An assignee who becomes a member:

(1) Has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a member under the operating agreement and this title; and

(2) Is liable for any obligations of his assignor to make capital contributions.

4A-605.

(a) Unless otherwise agreed, a member may withdraw from a limited liability company prior to the dissolution and winding up of the limited liability company by giving not less than 6 months' prior written notice to the other members at their respective addresses as shown on the books and records of the limited liability company.

(b) The operating agreement may provide that a member may not withdraw or otherwise place limits on the ability of a member to withdraw.

4A-606.

Unless otherwise agreed, a person ceases to be a member of a limited liability company upon the occurrence of any of the following events:

(1) The person withdraws from the limited liability company as authorized by § 4A-605 of this subtitle;

(2) The person is removed as a member in accordance with the operating agreement;

(3) The person:

- (i) Makes an assignment for the benefit of creditors;
 - (ii) Institutes a voluntary proceeding with respect to the person under the federal bankruptcy code;
 - (iii) Is adjudged bankrupt or insolvent or has entered against the person an order for relief in any bankruptcy or insolvency proceeding;
 - (iv) Files a petition or answer seeking for that person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
 - (v) Seeks, consents to, or acquiesces in the appointment of a trustee for, receiver for, or liquidation of the member or of all or any substantial part of the person's properties; or
 - (vi) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in any proceeding described in this subsection;
- (4) The continuation of any proceeding against the person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, for 120 days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the members or all or any substantial part of the person's properties without the person's agreement or acquiescence, which appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated;
- (5) In the case of a member who is an individual, the individual's:
- (i) Death; or
 - (ii) Adjudication by a court of competent jurisdiction as incompetent to manage the individual's person or property;
- (6) In the case of a member who is acting as a member by virtue of being a trustee of a trust, the termination of the trust;
- (7) In the case of a member that is a partnership or another limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;
- (8) In the case of a member that is a corporation, the dissolution of the corporation or the revocation of its charter;

(9) In the case of a member that is an estate, the distribution by the fiduciary of the estate's entire economic interest in the limited liability company; or

(10) On assignment of all of a person's economic interest in the limited liability company as provided in § 4A-603(d) of this subtitle.

4A-606.1.

(a) Unless otherwise agreed, if a person ceases to be a member of a limited liability company under § 4A-606 of this subtitle, and the limited liability company is not dissolved as a result, then, within a reasonable time after the person ceased to be a member, the limited liability company may elect to pay the person or the person's successor in interest, in complete liquidation of the person's membership interest, the fair value of the person's economic interest in the limited liability company as of the date the person ceased to be a member, based upon the person's right to share in distributions from the limited liability company.

(b) If a person ceases to be a member of a limited liability company under § 4A-606 of this subtitle and the limited liability company elects not to completely liquidate the person's membership interest under § 4A-606.1(a) of this subtitle, that person will be deemed to be an assignee of the unredeemed economic interest under §§ 4A-603 and 4A-604 of this subtitle.

DRAFTER'S NOTE:

Error: Function paragraphs of bills being cured incorrectly indicated that §§ 4A-601 through 4A-601.1, rather than §§ 4A-601 through 4A-606.1, of the Corporations and Associations Article were being amended.

Occurred: Chapters 599 and 600 (Senate Bill 855/House Bill 777) of the Acts of 2012.

Article – Education

7-10B-04.

(a) The Council consists of the following members:

(1) The State Superintendent or the State Superintendent's designee;

(2) The Director of the Maryland Virtual Learning Opportunities Office within the Department;

(3) Two members of the Senate of Maryland appointed by the President of the Senate;

(4) Two members of the House of Delegates of Maryland appointed by the Speaker of the House;

(5) The following members appointed by the Governor:

- (i) One local superintendent of schools;
 - (ii) One representative of the Maryland Association of Boards of Education;
 - (iii) One representative of the Maryland Parent Teacher Association;
 - (iv) Two representatives of virtual learning providers;
 - (v) One representative of the business community;
 - (vi) One parent of a student participating in digital learning opportunities;
 - (vii) One school teacher engaged in digital instruction;
 - (viii) One member of the Baltimore Teachers Union;
 - (ix) One member of the Maryland State Education Association;
- and
- (x) One charter school advocate; and

(6) Six members appointed by the Department that are employees of local schools that have excelled in the ability to incorporate technology into the classroom.

(b) In making the appointments required under this section, the Governor and the Department shall ensure that the Council is representative of:

- (1) All geographic areas of the State; and
 - (2) All levels of education, including early childhood learning, elementary school, middle school, and high school.
- (c)
- (1) The term of a member appointed under this section is 3 years.
 - (2) The terms of members shall be staggered.

(3) At the end of a term, a member shall continue to serve until a successor is appointed.

(4) A member who is appointed after a term has begun shall serve for the remainder of the term or until a successor is appointed.

(d) The Governor or the Department shall appoint a successor in the event of a vacancy on the Council.

(e) From among the members of the Council, a chair shall be elected for a 3-year term.

(f) A member of the Council may not receive compensation but is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

DRAFTER'S NOTE:

Error: Purpose paragraphs of bills being cured failed to accurately describe the changes made by the bills.

Occurred: Chapters 290 and 291 (Senate Bill 689/House Bill 745) of the Acts of 2012.

Article – Environment

9–206.

(j) With respect to land that is platted for subdivision, a person may not offer any of the land for sale or development or erect a permanent building on the land, unless there have been submitted to the Department:

(1) A plat of the subdivision;

DRAFTER'S NOTE:

Error: Function paragraph of bill being cured incorrectly indicated that § 9–206(j)(1) of the Environment Article was being amended.

Occurred: Chapter 149 (Senate Bill 236) of the Acts of 2012.

Article – Estates and Trusts

13–324.

This subtitle may be cited as the “Maryland Uniform Transfers to Minors Act”.

DRAFTER'S NOTE:

Error: Function paragraphs of bills being cured incorrectly indicated that § 3–324, rather than § 13–324, of the Estates and Trusts Article was being repealed and reenacted without amendments.

Occurred: Chapters 68 and 69 (Senate Bill 396/House Bill 822) of the Acts of 2012.

Article – Natural Resources

8–704.1.

(a) Except as provided in subsection (b) of this section, the Department may not furnish to any person the name, address, or other identifying information about the owner of the registered vessel.

(b) This section does not prevent the Department from furnishing information under this section:

(1) To another governmental agency;

(2) If not requested for the purpose of preparing a mailing list, to a person requesting the information in connection with the compilation of statistical data;

(3) As to the owners of vessels registered under this subtitle, to a person whose request for the information is determined by the Department to be limited to, and necessary for, the protection of the ownership, safe operation, proper maintenance, or repair of the vessel; or

(4) To a financial institution, as defined in § 1–101(i) of the Financial Institutions Article, or its agents, employees, or contractors, requesting information under § 10–616(s) of the State Government Article.

DRAFTER'S NOTE:

Error: Function paragraph of bill being cured failed to indicate that § 8–704.1 of the Natural Resources Article was being amended.

Occurred: Chapter 657 (House Bill 269) of the Acts of 2012.

8–1808.2.

(d) A bona fide intrafamily transfer from a parcel of land shall be a subdivision of the parcel of land that is subject to local approval under Title 5 or Title 23 of the Land Use Article or under any subdivision control provisions of a charter county.

DRAFTER’S NOTE:

Error: Function paragraph of bill being cured incorrectly indicated that § 8–1808(d), rather than § 8–1808.2(d), of the Natural Resources Article was being amended.

Occurred: Chapter 427 (House Bill 1130) of the Acts of 2012.

Chapter 485 of the Acts of 2009, as amended by Chapter 483 of the Acts of 2010 and Chapter 444 of the Acts of 2012

Section 1(3)

**QB08.02 NORTH BRANCH CORRECTIONAL INSTITUTION
(Allegany County)**

(A)	Maryland Correctional Enterprises Upholstery and Re-upholstery Plant. Provide funds to design, construct, and equip a new Maryland Correctional Enterprises building at the North Branch Correctional Institution to house an Upholstery and Re-upholstery Plant	5,345,000
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DRAFTER’S NOTE:

Error: Function paragraph of bill being cured incorrectly indicated that QB08–02 of Chapter 485 of the Acts of the General Assembly of 2009, as amended by Chapter 483 of the Acts of the General Assembly of 2010 was being amended.

Occurred: Chapter 444 (Senate Bill 151) of the Acts of 2012.

SECTION 2. AND BE IT FURTHER ENACTED, That the Drafter’s Notes contained in this Act are not law and may not be considered to have been enacted as part of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, April 9, 2013.