



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

DATE: February 25, 2020

BILL NUMBER: SB 888

COMMITTEE: Judicial Proceedings

BILL TITLE: Corporations and Associations – Limited Liability Companies and Partnerships – Series – Conversion

SDAT POSITION: Letter of Support with Amendments

The State Department of Assessments and Taxation (SDAT) supports SB 888 and the proposed amendments, a bill that would require a foreign limited liability company formed in its home state as a series LLC to disclose its series status when registering with SDAT to do business in Maryland.

The laws of some states create unique legal protections for limited liability companies formed as series LLCs. Presently, when a foreign series LLC registers with SDAT, it is not required to disclose that it is a series LLC in its home state. Subsequently, it is not clear from the information and documents filed with SDAT that the foreign LLC may be afforded unique legal protections.

Requiring a foreign series LLC to provide notification that it maintains a series status in its home state will mean that SDAT's public records are more accurate and better reflect the status of the foreign series LLC. SB 888 promotes transparency and creates awareness for Maryland businesses and individuals transacting with a foreign series LLC registered to engage in commerce in Maryland.

For these reasons, we strongly urge a favorable report by the Committee for Senate Bill 888.

Office of the Director

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