

Madame Chair and members, good afternoon. My name is Doug Stang, Head of Government Affairs for LegalZoom.

Thank you for the opportunity to testify in support of HB 308.

LegalZoom is an online legal services company that assists entrepreneurs with forming and running their businesses. We brought this issue forward after the Department of Taxation and Assessment adopted an interpretation of existing law prohibiting the use of a PO Box as a business address to also prohibit the use of Commercial Mail Receiving Agency, or CMRA, addresses.

CMRA addresses are significantly different from PO Boxes and provide important solutions for small businesses. They function as a principal place of business. In addition to receiving mail, CMRAs like LegalZoom also operate as a back office for their customers providing services such as depositing checks on customers' behalf, providing a safe place to physically store important documents, and allowing business owners to maintain and organize digital records.

CMRA addresses provide increased reassurances that the person behind the business is legitimate and traceable. They are regulated by the United States Postal Service. To get a CMRA address individuals must undergo a rigorous identity verification process including providing valid photo identification and proof of residency. CMRAs submit this documentation to the USPS' central database and certify on a quarterly basis that the records are up to date. These records are accessible to the state and should this legislation be adopted, CMRAs would also be required to provide this information to the state upon request.

This is a much more robust verification process than what is currently required at the time of business formation, where businesses only have to provide the state with a valid street address.

LegalZoom forms just under ten percent of LLCs in Maryland, in 2025 we formed nearly 6700 businesses—and we currently have about 1000 businesses that used their CMRA address for state registration. Many of our customers are small or solopreneurs who do not operate from a traditional brick-and-mortar location. For these business owners, the CMRA address protects their privacy and personal security by providing an alternative to using their home address.

This is a service that many Maryland businesses have relied on, and newly formed businesses should have the option to use. I respectfully encourage your support for HB 308, and thank you for your consideration.

Testimonial from LegalZoom Customer

Nikki Hornsby, Maryland

When I formed my business with LegalZoom, protecting my privacy was a top priority. Using a LegalZoom Virtual Mail address allowed me to maintain a professional presence while keeping my home life separate. I believe every entrepreneur should have the right to protect their personal residence and brand image without being forced to put their home address on a public government database.