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Baltimore and Carroll Counties

Judicial Proceedings Committee



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 17, 2026  
The Maryland State Senate Judicial Proceedings Committee  
The Honorable William C. Smith, Jr.  
2 East Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill 631 – Corporations and Associations – Revisions**

Chair Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings Committee,

I am here to introduce Senate Bill 631. This legislation makes targeted revisions to the Corporations and Associations Article in order to modernize Maryland business law, improve clarity, and reduce unnecessary burdens on businesses operating in Maryland.

Under current law businesses may face uncertainty and/or delays when charter documents are rejected by the State Department of Assessments and Taxation. SB631 addresses this issue by requiring SDAT to notify filers if a charter document is rejected and provide an explanation for the specific reason for rejection. The bill also allows charter documents corrected within 30 days to be recorded as if it were filed on the original date.

In addition, this bill clarifies when corporate boards and committees of the '40 Act investment companies that are open-end funds, may take action without holding a meeting, provided there is consent of a majority of the entire board or committee, given either electronically or written. This change better accommodates modern business practices and ensures that investment funds can maximize efficiently while maintaining the appropriate safeguards.

SB631 also updates provisions related to bankruptcy and receivership to explicitly authorize trustees and receivers acting under federal law to carry out corporate actions necessary for reorganization. This ensures consistency between Maryland law and federal bankruptcy proceedings.

Lastly, the bill makes essential technical changes, including clarifying partnership governance provisions and updating requirements applicable to foreign corporations. The revisions remove outdated language and improve the overall coherence of the statute.

This bill does not create any new penalties or regulatory requirements. Instead it offers

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flexibility, clarity, and fairness within the State's existing corporate framework. By doing so SB631 fosters a predictable and business-friendly legal environment while maintaining appropriate oversight.

I appreciate the Committee's consideration of SB631 and would be happy to answer any questions.