

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1399 (Delegate Kaiser)
Economic Matters

Corporations and Associations - Resident Agent - Public Information

This bill requires the State Department of Assessments and Taxation (SDAT) to include the name, physical mailing address, email address, and telephone number of the resident agent for each entity required to designate a resident agent as part of the publicly available information about the entity.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$2.5 million in FY 2025 only for one-time SDAT programming costs, as discussed below. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.5	0	0	0	0
Net Effect	(\$2.5)	\$0.0	\$0.0	\$0.0	\$0.0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Under the Corporations and Associations Article, an “entity” includes a corporation, a limited liability company, a limited liability partnership, a limited partnership, a limited liability limited partnership, a professional corporation, a trade name filer, and a business trust. Generally, entities are required to have a resident agent, which may be designated or changed by filing required documents with SDAT. A “resident agent”

means an individual residing in Maryland or a Maryland corporation or limited liability company whose name, address, and designation as a resident agent are filed or recorded with SDAT in accordance with the statute.

On the State's online [portal](#), the name and address of the resident agent for each entity is published along with other charter information about the entity.

State Expenditures: SDAT advises that some of the information required under the bill is not collected or recorded under its current systems. Furthermore, due to planned programming changes, SDAT advises that the Maryland Business Express Service (MBES) is unable to be further altered in the manner needed to implement the bill from approximately July 2024 through December 2025. Thus, to make the required changes, a new system (separate from MBES) must be developed by an outside vendor, incurring a cost of at least \$2.5 million in fiscal 2025. Under standard operating circumstances, SDAT programming costs are approximately \$278,400.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2024
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