

HOUSE BILL 178

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P3

1998 Regular Session  
8lr6008

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By: **Chairman, Economic Matters Committee (Departmental - Assessments  
and Taxation)**

Introduced and read first time: January 22, 1998

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Business Entity Names**

3 FOR the purpose of consolidating various statutes relating to the names of business  
4 entities; altering the standard by which business entity names are accepted or  
5 rejected by the Department of Assessments and Taxation; providing exceptions  
6 to the standards for preexisting business entity names; granting the State  
7 Department of Assessments and Taxation authority to adopt regulations to  
8 implement this Act; and generally relating to business entity names.

9 BY repealing and reenacting, with amendments,  
10 Article - Corporations and Associations  
11 Section 1-406(b), 2-106, 4A-208, 4A-1004, 5-106, 7-101, 7-203(c), 10-102,  
12 10-103, and 10-904  
13 Annotated Code of Maryland  
14 (1993 Replacement Volume and 1997 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Corporations and Associations  
17 Section 9-1003, 9-1004, and 9-1103  
18 Annotated Code of Maryland  
19 (1993 Replacement Volume and 1997 Supplement)  
20 (As enacted by Chapter 654 of the Acts of the General Assembly of 1997)

21 BY adding to  
22 Article - Corporations and Associations  
23 Section 1-501 through 1-508, inclusive, to be under the new subtitle "Subtitle  
24 5. Entity Names"  
25 Annotated Code of Maryland  
26 (1993 Replacement Volume and 1997 Supplement)

27 BY repealing  
28 Article - Corporations and Associations

1 Section 2-107  
2 Annotated Code of Maryland  
3 (1993 Replacement Volume and 1997 Supplement)

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

6 **Article - Corporations and Associations**

7 1-406.

8 (b) [(1) Except as provided under paragraph (2) of this subsection, the] THE  
9 name, title, or designation under which a business is conducted SHALL BE RECORDED  
10 WITH THE DEPARTMENT AS PROVIDED IN SUBTITLE 5 OF THIS TITLE. [may not be the  
11 same as or misleadingly similar to:

12 (i) The name of any Maryland corporation, limited partnership,  
13 limited liability partnership, or limited liability company;

14 (ii) The name of any foreign corporation, limited partnership,  
15 limited liability partnership, or limited liability company registered or qualified to do  
16 business in the State; or

17 (iii) Any name which is recorded under this section or reserved  
18 under § 2-107, § 4A-209, or § 10-103 of this article or registered under § 4A-1002, §  
19 7-101 or § 10-904 of this article.

20 (2) The name, title, or designation under which the business of a  
21 professional corporation is conducted may be the same as its corporate name with  
22 permitted omissions as allowed under § 5-109(c) of this article.]

23 **SUBTITLE 5. ENTITY NAMES.**

24 1-501.

25 **IN THIS SUBTITLE, "ENTITY" INCLUDES:**

26 (1) A CORPORATION;

27 (2) A LIMITED LIABILITY COMPANY;

28 (3) A LIMITED LIABILITY PARTNERSHIP;

29 (4) A LIMITED PARTNERSHIP;

30 (5) A LIMITED LIABILITY LIMITED PARTNERSHIP;

31 (6) A PROFESSIONAL CORPORATION; AND

32 (7) A TRADE NAME FILER.

1 1-502.

2 (A) THE NAME OF A CORPORATION MUST INCLUDE ONE OF THE FOLLOWING  
3 WORDS OR AN ABBREVIATION OF ONE OF THE FOLLOWING WORDS:

4 (1) "COMPANY", IF IT IS NOT PRECEDED BY THE WORD "AND" OR A  
5 SYMBOL FOR THE WORD "AND";

6 (2) "CORPORATION";

7 (3) "INCORPORATED"; OR

8 (4) "LIMITED".

9 (B) THE NAME OF A LIMITED LIABILITY COMPANY MUST INCLUDE:

10 (1) THE WORDS "LIMITED LIABILITY COMPANY";

11 (2) "L.L.C.";

12 (3) "LLC";

13 (4) "L.C."; OR

14 (5) "LC".

15 (C) THE NAME OF A LIMITED LIABILITY PARTNERSHIP MUST INCLUDE:

16 (1) THE WORDS "LIMITED LIABILITY PARTNERSHIP";

17 (2) "L.L.P."; OR

18 (3) "LLP".

19 (D) THE NAME OF A LIMITED PARTNERSHIP MUST INCLUDE, WITHOUT  
20 ABBREVIATION, THE WORDS "LIMITED PARTNERSHIP".

21 (E) (1) THE CORPORATE NAME OF A PROFESSIONAL CORPORATION MUST  
22 INCLUDE:

23 (I) THE WORD "CHARTERED";

24 (II) THE ABBREVIATION "CHTD.";

25 (III) THE WORDS "PROFESSIONAL ASSOCIATION";

26 (IV) THE ABBREVIATION "P.A.";

27 (V) THE WORDS "PROFESSIONAL CORPORATION"; OR

28 (VI) THE ABBREVIATION "P.C.".

1 (2) A PROFESSIONAL CORPORATION NEED NOT USE ANY WORD  
2 SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

3 (I) THE CORPORATION HAS REGISTERED THE NAME TO BE USED  
4 IN THE MANNER PROVIDED IN § 1-406 OF THIS ARTICLE; AND

5 (II) THE NAME IS THE SAME AS ITS CORPORATE NAME EXCEPT FOR  
6 THE ALLOWABLE OMISSIONS.

7 1-503.

8 (A) AN ENTITY NAME MAY NOT CONTAIN LANGUAGE STATING OR IMPLYING  
9 THAT THE ENTITY IS ORGANIZED FOR A PURPOSE OTHER THAN THAT ALLOWED BY  
10 THE ENTITY'S:

11 (1) ARTICLES OF INCORPORATION, IF THE ENTITY IS A CORPORATION;

12 (2) ARTICLES OF ORGANIZATION, IF THE ENTITY IS A LIMITED LIABILITY  
13 COMPANY;

14 (3) CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP, IF THE ENTITY  
15 IS A LIMITED LIABILITY PARTNERSHIP;

16 (4) CERTIFICATE OF LIMITED PARTNERSHIP, IF THE ENTITY IS A  
17 LIMITED PARTNERSHIP; OR

18 (5) ARTICLES OF INCORPORATION, IF THE ENTITY IS A PROFESSIONAL  
19 CORPORATION.

20 (B) THE NAME OF A LIMITED PARTNERSHIP MAY NOT CONTAIN THE NAME OF  
21 A LIMITED PARTNER UNLESS:

22 (1) IT IS ALSO THE NAME OF A GENERAL PARTNER; OR

23 (2) THE BUSINESS OF THE LIMITED PARTNERSHIP HAD BEEN CARRIED  
24 ON UNDER THE NAME BEFORE THE ADMISSION OF THAT LIMITED PARTNER.

25 (C) EXCEPT FOR WORDS SPECIFIED IN § 1-502(E) OF THIS SUBTITLE, THE  
26 NAME OF A PROFESSIONAL CORPORATION MAY NOT USE ANY OTHER WORD,  
27 ABBREVIATION, AFFIX, OR PREFIX THAT INDICATES IT IS A CORPORATION.

28 1-504.

29 AN ENTITY NAME MUST BE DISTINGUISHABLE UPON THE RECORDS OF THE  
30 DEPARTMENT FROM:

31 (1) THE ENTITY NAME OF AN ENTITY ORGANIZED OR AUTHORIZED TO  
32 TRANSACT BUSINESS IN THE STATE;

33 (2) AN ENTITY NAME RESERVED OR REGISTERED UNDER THIS  
34 SUBTITLE; AND

1 (3) THE DISCLOSED ASSUMED NAME ADOPTED BY A FOREIGN ENTITY  
2 AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

3 1-505.

4 (A) (1) A PERSON MAY RESERVE THE EXCLUSIVE USE OF AN ENTITY NAME,  
5 INCLUDING A DISCLOSED ASSUMED NAME FOR A FOREIGN ENTITY WHOSE ENTITY  
6 NAME IS NOT AVAILABLE, BY DELIVERING AN APPLICATION TO THE DEPARTMENT  
7 FOR FILING.

8 (2) THE APPLICATION MUST SET FORTH THE NAME AND ADDRESS OF  
9 THE APPLICANT AND THE ENTITY NAME PROPOSED TO BE RESERVED.

10 (3) IF THE DEPARTMENT FINDS THAT THE ENTITY NAME APPLIED FOR  
11 IS AVAILABLE, THE DEPARTMENT SHALL RESERVE THE NAME FOR THE APPLICANT'S  
12 EXCLUSIVE USE FOR A 30-DAY PERIOD.

13 (B) THE OWNER OF A RESERVED ENTITY NAME MAY TRANSFER THE  
14 RESERVATION TO ANOTHER PERSON BY DELIVERING TO THE DEPARTMENT A  
15 SIGNED NOTICE OF THE TRANSFER THAT STATES THE NAME AND ADDRESS OF THE  
16 TRANSFEREE.

17 1-506.

18 (A) A FOREIGN ENTITY MAY REGISTER ITS ENTITY NAME OR ITS ENTITY NAME  
19 WITH ANY CHANGES REQUIRED BY § 1-502 OR § 1-503 OF THIS SUBTITLE, IF THE  
20 NAME IS DISTINGUISHABLE UPON THE RECORDS OF THE DEPARTMENT AS PROVIDED  
21 IN § 1-504 OF THIS SUBTITLE.

22 (B) A FOREIGN ENTITY SHALL REGISTER ITS ENTITY NAME BY DELIVERING TO  
23 THE DEPARTMENT FOR FILING AN APPLICATION SETTING FORTH ITS ENTITY NAME,  
24 OR ITS ENTITY NAME WITH ANY CHANGES REQUIRED BY § 1-502 OR § 1-503 OF THIS  
25 SUBTITLE, THE STATE OR COUNTRY AND DATE OF ITS ORGANIZATION, AND A BRIEF  
26 DESCRIPTION OF THE NATURE OF THE BUSINESS IN WHICH IT IS ENGAGED.

27 (C) THE NAME IS REGISTERED FOR THE APPLICANT'S EXCLUSIVE USE UPON  
28 THE EFFECTIVE DATE OF THE APPLICATION.

29 (D) (1) A FOREIGN CORPORATION WHOSE REGISTRATION IS EFFECTIVE MAY  
30 RENEW IT FOR SUCCESSIVE YEARS BY DELIVERING TO THE DEPARTMENT FOR  
31 FILING A RENEWAL APPLICATION, WHICH COMPLIES WITH THE REQUIREMENTS OF  
32 SUBSECTION (B) OF THIS SECTION, BETWEEN OCTOBER 1 AND DECEMBER 31 OF THE  
33 PRECEDING YEAR.

34 (2) THE RENEWAL APPLICATION WHEN FILED RENEWS THE  
35 REGISTRATION FOR THE FOLLOWING CALENDAR YEAR.

1 1-507.

2 AN ENTITY NAME THAT WAS RECORDED, REGISTERED, OR RESERVED PRIOR TO  
3 OCTOBER 1, 1998, MAY CONTINUE TO BE USED EVEN IF THE NAME DOES NOT COMPLY  
4 WITH THE REQUIREMENTS OF THIS SUBTITLE.

5 1-508.

6 THE DEPARTMENT MAY ADOPT REGULATIONS NECESSARY TO IMPLEMENT THIS  
7 SUBTITLE.

8 2-106.

9 (A) A CORPORATION SHALL RECORD ITS NAME WITH THE DEPARTMENT AS  
10 PROVIDED IN TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

11 [(a) The name of the corporation shall indicate its corporate status. Corporate  
12 status is indicated if the name contains one of the following words or an abbreviation  
13 of one of them:

14 (1) "Company", if it is not preceded by the word "and" or a symbol for  
15 "and";

16 (2) "Corporation";

17 (3) "Incorporated"; or

18 (4) "Limited".

19 (b) The name of a corporation may not:

20 (1) Contain any word or phrase which indicates or implies that it is  
21 organized for any purpose not contained in its charter; or

22 (2) Be the same as or misleadingly similar to:

23 (i) The name of any Maryland corporation, limited partnership,  
24 limited liability partnership, or limited liability company;

25 (ii) The name of any foreign corporation, limited partnership,  
26 limited liability partnership, or limited liability company registered or qualified to do  
27 business in this State;

28 (iii) Any name which is recorded under § 1-406 or reserved under §  
29 2-107, § 4A-209, § 9-804, or § 10-103 or registered under § 4A-1002, § 7-101, or §  
30 10-904 of this article; or

31 (iv) A name that a foreign corporation has assumed under  
32 subsection (c) of this section.]

1 [(c)] (B) The Department may permit a foreign corporation that has a name  
2 prohibited by [subsection (b)(2) of this section] TITLE 1, SUBTITLE 5 OF THIS ARTICLE  
3 to register or qualify to do business in this State, if the foreign corporation agrees:

4 (1) To transact business in this State only under a disclosed assumed  
5 name that meets the requirements of [this section;] TITLE 1, SUBTITLE 5 OF THIS  
6 ARTICLE; and

7 (2) To use the assumed name in all of its dealings with the Department  
8 and the conduct of its affairs in this State.

9 [2-107.

10 (a) The exclusive right to use a specified name for a corporation may be  
11 reserved by:

12 (1) A person who intends to organize a Maryland corporation;

13 (2) A Maryland corporation which proposes to change its name;

14 (3) A foreign corporation which intends to register or qualify to do  
15 business in this State; or

16 (4) A foreign corporation registered or qualified to do business in this  
17 State which proposes to change its name.

18 (b) (1) A person may reserve a specified name by filing a signed application  
19 with the Department.

20 (2) If the Department finds that the name is available for corporate use,  
21 the Department shall reserve the name for 30 days for the exclusive use of the  
22 applicant.

23 (c) The exclusive right to use a reserved name may be transferred to another  
24 person or corporation by filing with the Department a notice of the transfer which  
25 specifies the name and address of the transferee and is signed by the applicant for  
26 whom the name was reserved.]

27 4A-208.

28 The name of each limited liability company as set forth in its articles of  
29 ORGANIZATION SHALL COMPLY WITH THE REQUIREMENTS OF TITLE 1, SUBTITLE 5  
30 OF THIS ARTICLE. [organization:

31 (1) Shall contain either the words "limited liability company" or any of  
32 the following abbreviations:

33 (i) "L.L.C.";

34 (ii) "LLC";

1 (iii) "L.C."; or

2 (iv) "LC";

3 (2) May not contain any word or phrase which indicates or implies that it  
4 is organized for any purpose not stated in its articles of organization; and

5 (3) May not be the same as or misleadingly similar to:

6 (i) The name of any corporation, limited partnership, or limited  
7 liability company organized under the laws of this State;

8 (ii) The name of any foreign corporation, foreign limited  
9 partnership, or foreign limited liability company registered or qualified to do business  
10 in this State; or

11 (iii) Any name which is reserved or registered under § 2-107, §  
12 4A-209, § 7-101, § 10-103, or § 10-904 or recorded under § 1-406 of this article.]

13 4A-1004.

14 A foreign limited liability company may register with the Department under any  
15 name, whether or not it is the name under which it is registered in its state of  
16 ORGANIZATION, AS PROVIDED UNDER TITLE 1, SUBTITLE 5 OF THIS ARTICLE  
17 [organization, that could be registered by a domestic limited liability company].

18 5-106.

19 [(a)] The name of a domestic professional corporation or of a foreign  
20 professional corporation authorized to transact business in the State MUST COMPLY  
21 WITH TITLE 1, SUBTITLE 5 OF THIS ARTICLE. [must:

22 (1) Satisfy the requirements of § 2-106(b) of this article; and

23 (2) Contain the words "professional corporation", "professional  
24 association", or "chartered", or the abbreviations "P.C.", "P.A.", or "Chtd".

25 (b) Except for words specified in subsection (a)(2) of this section, a professional  
26 corporation may not use in its corporate name any other word, abbreviation, affix, or  
27 prefix which indicates that it is a corporation.

28 (c) A professional corporation need not use any word specified under  
29 subsection (a)(2) of this section in its corporate name if:

30 (1) The corporation has registered the name to be used in the manner  
31 provided in § 1-406 of this article; and

32 (2) The name is the same as its corporate name except for the permitted  
33 omissions.]



1 7-101.

2 [(a)] Any foreign corporation may register its name in this State AS PROVIDED  
3 UNDER TITLE 1, SUBTITLE 5 OF THIS ARTICLE. [if the name is not the same as or  
4 misleadingly similar to:

5 (1) The name of any Maryland corporation, limited partnership, limited  
6 liability partnership, or limited liability company;

7 (2) The name of any foreign corporation, limited partnership, limited  
8 liability partnership, or limited liability company registered or qualified to do  
9 business in this State; or

10 (3) Any name reserved under § 2-107, § 4A-209, § 9-804, or § 10-103 of  
11 this article, registered under this section, § 4A-1002, or § 10-904 of this article, or  
12 recorded under § 1-406 of this article.

13 (b) To register its name, the corporation shall file with the Department:

14 (1) An application for registration, executed for and verified by an officer  
15 of the corporation, which sets forth:

16 (i) The name of the corporation;

17 (ii) The place where it is organized;

18 (iii) The date of its organization;

19 (iv) A statement that it is carrying on business; and

20 (v) A brief description of the business in which it is engaged; and

21 (2) A certificate which:

22 (i) States that the corporation is in good standing under the laws of  
23 the place where it is organized; and

24 (ii) Is executed by the official of that place who has custody of the  
25 pertinent records.

26 (c) A registration is effective until the end of the calendar year in which the  
27 application for registration is filed.

28 (d) (1) A corporation which registers its name may renew the registration  
29 annually by filing:

30 (i) An application for renewal; and

31 (ii) A certificate of good standing as required for the original  
32 registration.

1 (2) A renewal application may be filed between October 1 and December  
2 31 of each year.

3 (3) A renewal application extends the registration for the following  
4 calendar year.]

5 7-203.

6 (c) Unless terminated by the corporation, the qualification is effective as long  
7 as:

8 (1) The corporation has a resident agent in this State;

9 (2) The corporation does not forfeit its right to do intrastate business  
10 under the laws of this State; and

11 (3) If the corporation qualifies or changes its name after June 1, 1951,  
12 the name of the corporation complies with the requirements of Title [2] 1, SUBTITLE  
13 5 of this article [relating to corporate names].

14 9-1003.

15 The name of each limited liability partnership as set forth in the certificate of  
16 limited liability PARTNERSHIP SHALL COMPLY WITH THE PROVISIONS OF TITLE 1,  
17 SUBTITLE 5 OF THIS ARTICLE. [partnership:

18 (1) Shall contain either the words "limited liability partnership" or the  
19 abbreviation "L.L.P." or "LLP" as the last words or letters of its name;

20 (2) May not contain any word or phrase which indicates or implies that it  
21 is organized for any purpose not stated in its certificate of limited liability  
22 partnership; and

23 (3) May not be the same as or misleadingly similar to:

24 (i) The name of any corporation, limited partnership, limited  
25 liability company, or limited liability partnership organized under the laws of this  
26 State;

27 (ii) The name of any foreign corporation, foreign limited  
28 partnership, foreign limited liability company, or foreign limited liability partnership  
29 registered or qualified to do business in this State; or

30 (iii) Any name which is reserved or registered under § 2-107, §  
31 4A-209, § 7-101, § 9-1004, § 10-103, or § 10-904 of this article or recorded under §  
32 1-406 of this article.]

1 9-1004.

2 [(a)] The exclusive right to use a specified name for a domestic or foreign  
3 limited liability partnership may be reserved AS PROVIDED IN TITLE 1, SUBTITLE 5 OF  
4 THIS ARTICLE. [by:

5 (1) A person who intends to register a domestic limited liability  
6 partnership;

7 (2) A domestic limited liability partnership that proposes to change its  
8 name;

9 (3) A foreign limited liability partnership that intends to register to do  
10 business in this State; or

11 (4) A foreign limited liability partnership registered to do business in  
12 this State that proposes to change its name.

13 (b) (1) A person may reserve a specified name by filing a signed application  
14 with the Department.

15 (2) If the Department finds that the name is available for use by a  
16 limited liability partnership, the Department shall reserve the name for 30 days for  
17 the exclusive use of the applicant.

18 (c) The exclusive right to use a reserved name may be transferred to another  
19 person by filing with the Department a notice of the transfer which specifies the  
20 name and address of the transferee and is signed by the applicant for whom the name  
21 was reserved.]

22 9-1103.

23 A foreign limited liability partnership may register with the Department under  
24 any name, whether or not it is the name under which it is registered in its state of  
25 ORGANIZATION AS PROVIDED IN TITLE 1, SUBTITLE 5 OF THIS ARTICLE [organization,  
26 that could be registered by a domestic limited liability partnership].

27 10-102.

28 The name of each limited partnership as set forth in its CERTIFICATE SHALL  
29 COMPLY WITH THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE.  
30 [certificate:

31 (1) Shall contain without abbreviation the words "limited partnership";

32 (2) May not contain the name of a limited partner unless:

33 (i) It is also the name of a general partner; or

34 (ii) The business of the limited partnership had been carried on  
35 under that name before the admission of that limited partner;

1 (3) May not contain any word or phrase which indicates or implies that it  
2 is organized for any purpose not stated in its certificate; and

3 (4) May not be the same as or misleadingly similar to:

4 (i) The name of any corporation, limited liability company, limited  
5 partnership, or limited liability partnership organized under the laws of the State of  
6 Maryland;

7 (ii) The name of any foreign corporation, foreign limited liability  
8 company, foreign limited partnership, or foreign limited liability partnership  
9 registered or qualified to do business in the State of Maryland; or

10 (iii) Any name which is reserved or registered under § 2-107, §  
11 4A-209, § 4A-1002, § 7-101, § 10-103, or § 10-904, or recorded under § 1-406 of this  
12 article.]

13 10-103.

14 [(a)] The exclusive right to use a specified name for a domestic or foreign  
15 limited partnership may be reserved AS PROVIDED IN TITLE 1, SUBTITLE 5 OF THIS  
16 ARTICLE. [by:

17 (1) A person who intends to organize a domestic limited partnership;

18 (2) A domestic limited partnership which proposes to change its name;

19 (3) A foreign limited partnership which intends to register to do business  
20 in the State of Maryland; or

21 (4) A foreign limited partnership registered to do business in the State of  
22 Maryland which proposes to change its name.

23 (b) (1) A person may reserve a specified name by filing a signed application  
24 with the Department.

25 (2) If the Department finds that the name is available for use by a  
26 limited partnership, the Department shall reserve the name for 30 days for the  
27 exclusive use of the applicant.

28 (c) The exclusive right to use a reserved name may be transferred to another  
29 person by filing with the Department a notice of the transfer which specifies the  
30 name and address of the transferee and is signed by the applicant for whom the name  
31 was reserved.]

32 10-904.

33 A foreign limited partnership may register with the Department under any  
34 name (whether or not it is the name under which it is registered in its state of  
35 organization) AS PROVIDED IN TITLE 1, SUBTITLE 5 OF THIS ARTICLE [that could be  
36 registered by a domestic limited partnership].

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect October 1, 1998.