

SENATE BILL 468

Unofficial Copy  
C1

1998 Regular Session  
(81r0993)

**ENROLLED BILL**  
-- Judicial Proceedings/Economic Matters --

Introduced by **Senator Frosh**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Corporations and Associations - Resident Agents ~~–Written Consent~~ and**  
3 **Directors**

4 FOR the purpose of ~~establishing that certain persons must provide written consent~~  
5 ~~before being designated resident agents; altering the requirements relating to~~  
6 ~~certain fees paid by certain resident agents prohibiting certain entities from~~  
7 ~~designating a person as a resident agent without first obtaining the person's~~  
8 ~~written consent; requiring the written consent to be filed with the Department~~  
9 ~~of Assessments and Taxation; making the consent effective upon acceptance by~~  
10 ~~the Department; authorizing a resident agent to resign without paying a certain~~  
11 ~~fee; providing that certain directors of certain investment companies shall be~~  
12 ~~deemed to be independent and disinterested for purposes of performing their~~  
13 ~~duties; providing for the application of certain provisions of this Act; and~~  
14 ~~generally relating to resident agents and directors of corporations.~~

15 BY adding to  
16 Article - Corporations and Associations

1 Section 1-208 *and 2-405.3*  
 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 1-208.

8 (A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, AN ENTITY  
 9 THAT IS REQUIRED TO HAVE A RESIDENT AGENT MAY NOT DESIGNATE A PERSON AS  
 10 A RESIDENT AGENT WITHOUT FIRST OBTAINING THE PERSON'S WRITTEN CONSENT.

11 (B) (1) AN ENTITY SHALL FILE A RESIDENT AGENT'S WRITTEN CONSENT  
 12 WITH THE DEPARTMENT.

13 (2) THE CONSENT SHALL BE EFFECTIVE UPON ACCEPTANCE BY THE  
 14 DEPARTMENT.

15 (C) SUBSECTIONS (A) AND (B) OF THIS SECTION DO NOT APPLY TO RESIDENT  
 16 AGENTS DESIGNATED BEFORE OCTOBER 1, 1998.

17 (D) ~~(1)~~ A PERSON DESIGNATED A RESIDENT AGENT ~~WITHOUT CONSENT~~  
 18 ~~BEFORE OCTOBER 1, 1998~~ MAY RESIGN WITHOUT PAYING THE FEE UNDER § 1-203(2)  
 19 OF THIS SUBTITLE.

20 ~~(2) THE ENTITY THAT DESIGNATED A RESIDENT AGENT WHO RESIGNS~~  
 21 ~~UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL PAY THE FEE UNDER § 1-203(2)~~  
 22 ~~OF THIS SUBTITLE.~~

23 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 24 read as follows:

25 **Article - Corporations and Associations**

26 2-405.3.

27 (A) THIS SECTION APPLIES TO A CORPORATION THAT IS AN INVESTMENT  
 28 COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

29 (B) A DIRECTOR OF A CORPORATION WHO WITH RESPECT TO THE  
 30 CORPORATION IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT  
 31 COMPANY ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND  
 32 DISINTERESTED WHEN MAKING ANY DETERMINATION OR TAKING ANY ACTION AS A  
 33 DIRECTOR.

1     SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
2 be construed retroactively and shall be applied to and interpreted to affect only those  
3 cases filed on or after January 30, 1998.

4     SECTION ~~2.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
5 effect October 1, 1998.