

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 360 (Delegate Frank)

Economic Matters

Corporations and Real Estate Investment Trusts - Extraordinary Actions

This bill allows corporate charters to grant the board of directors or board of trustees more authority to amend the charter of a corporation to issue stock, change the name of the corporation or the name or the par value of any class or series of stock, and merge a subsidiary corporation with a parent corporation without shareholder approval. The bill also allows the board of trustees of a real estate investment trust to alter a declaration of trust to comply with federal and state laws as well as to change the name of the trust or the name or the par value of a class or series of stock without the approval of shareholders. The trust could also have shareholder votes on amendments to declarations of trust without holding a shareholders meeting.

Fiscal Summary

State Effect: None. This bill would not substantially affect State activities or operations.

Local Effect: None.

Small Business Effect: Minimal impact on small businesses. This bill would impact small business corporations and real estate investment trusts by streamlining regulations governing corporate charters and declaration of trusts.

Information Sources: Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - February 18, 1998

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