

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE**Revised**

Senate Bill 468 (Senator Frosh)

Judicial Proceedings

Corporations and Associations - Resident Agents and Directors

This bill requires that an entity may not designate a person as a resident agent without first obtaining the person's written consent. The entity must file this consent with the Department of Assessments and Taxation. These provisions do not apply to any resident agents designated before October 1, 1998. The bill also provides that any resident agent may resign without paying the \$10 recording fee for a resignation notice.

In addition, the bill provides that a director of a corporation that is an investment company shall be deemed independent and disinterested when making any determination or taking any action as a director if that director is not an interested person as defined by the Investment Company Act of 1940. This is to be construed retroactively and applied and interpreted to affect only those cases filed on or after January 30, 1998.

Fiscal Summary

State Effect: Minimal decrease in revenues. Providing that a resident agent may resign without paying a \$10 resignation fee would decrease annual revenues by approximately \$5,000. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal impact on small businesses.

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

Fiscal Note History: First Reader - March 2, 1998
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