

HOUSE BILL 41

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1999 Regular Session  
9r0047

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

Introduced and read first time: January 15, 1999

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Business Documents - Funding**

3 FOR the purpose of authorizing the Department of Assessments and Taxation to use  
4 a certain fund for the costs of reviewing, processing, and auditing certain  
5 documents filed or requested; and requiring certain fees collected by the  
6 Department to be credited to the fund.

7 BY repealing and reenacting, with amendments,  
8 Article - Commercial Law  
9 Section 9-401.2(3)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 1998 Supplement)

12 BY repealing and reenacting, without amendments,  
13 Article - Corporations and Associations  
14 Section 1-203(8)  
15 Annotated Code of Maryland  
16 (1993 Replacement Volume and 1998 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article - Corporations and Associations  
19 Section 1-203.2  
20 Annotated Code of Maryland  
21 (1993 Replacement Volume and 1998 Supplement)

22 BY adding to  
23 Article - Corporations and Associations  
24 Section 1-203.3  
25 Annotated Code of Maryland  
26 (1993 Replacement Volume and 1998 Supplement)

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

3 **Article - Commercial Law**

4 9-401.2.

5 (3) (a) Instead of the fees collected by a clerk of the circuit court under §  
6 2-213 of the Courts Article, the State Department of Assessments and Taxation shall  
7 retain 2.5 percent of recordation taxes received in respect of instruments filed with  
8 the Department under this title.

9 (b) All revenues retained by the Department under this subsection shall  
10 be credited to [a continuing nonlapsing fund that is not subject to § 7-302 of the State  
11 Finance and Procurement Article] THE FUND ESTABLISHED UNDER § 1-203.3 OF THE  
12 CORPORATIONS AND ASSOCIATIONS ARTICLE.

13 [(c) Subject to the appropriation process in the State budget, the  
14 Department shall use the fund for the costs of reviewing, processing, and auditing  
15 instruments filed.

16 (d) The State Treasurer shall hold and the State Comptroller shall  
17 account for the fund.

18 (e) The fund shall be invested and reinvested in the same manner as  
19 other State funds.

20 (f) Investment earnings shall accrue to the benefit of the fund.]

21 **Article - Corporations and Associations**

22 1-203.

23 In addition to any organization and capitalization fee required under § 1-204 of  
24 this article, the Department shall collect the following fees:

25 (8) For processing each of the following documents on an expedited basis,  
26 the additional fee is as indicated:

27 Recording any document, including financing statements..... \$30

28 Certificate of status of a corporation, partnership, limited partnership, limited  
29 liability partnership, or limited liability company, or a name reservation ..... \$9

30 A copy of any document recorded or filed with the Department, or a corporate  
31 abstract ..... \$20

1 1-203.2.

2 (a) The Department shall process documents on an expedited basis upon the  
3 payment of the fee provided in § 1-203(8) of this article.

4 (b) The Department shall, to the extent practicable, process documents filed  
5 in person on an expedited basis on the same day that the documents are received.

6 (c) The Department shall adopt regulations governing the processing of  
7 documents on an expedited basis, including reasonable limitations on filing  
8 documents of unusual volume or length.

9 (D) FORTY PERCENT OF THE FEES COLLECTED UNDER § 1-203(8) OF THIS  
10 SUBTITLE SHALL BE CREDITED TO THE FUND ESTABLISHED UNDER § 1-203.3 OF THIS  
11 SUBTITLE.

12 1-203.3.

13 (A) THERE IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO §  
14 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

15 (B) SUBJECT TO THE APPROPRIATION PROCESS IN THE STATE BUDGET, THE  
16 DEPARTMENT SHALL USE THE FUND FOR THE COSTS OF REVIEWING, PROCESSING,  
17 AND AUDITING DOCUMENTS FILED OR REQUESTED UNDER THIS ARTICLE OR OTHER  
18 ARTICLES OF THE CODE.

19 (C) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER  
20 SHALL ACCOUNT FOR THE FUND.

21 (D) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER  
22 AS OTHER STATE FUNDS.

23 (E) INVESTMENT EARNINGS SHALL ACCRUE TO THE BENEFIT OF THE FUND.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 July 1, 1999.