

HOUSE BILL 16

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2000 Regular Session  
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(PRE-FILED)

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By: **Delegates Barve, Taylor, Hurson, Arnick, Busch, Guns, Hixson, Kopp,  
Montague, Owings, Rawlings, Rosenberg, Vallario, and Wood**

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Corporate Charter Computerization and Administration Fund**

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; requiring certain fees, revenues, and recordation  
6 taxes to be credited to the fund; increasing the fee for processing certain  
7 documents on an expedited basis; altering the fee payable by a business trust for  
8 processing certain documents on an expedited basis; providing for a delayed  
9 effective date for certain provisions of this Act; and generally relating to funding  
10 for the review, processing, and auditing of business documents by the  
11 Department of Assessments and Taxation.

12 BY repealing and reenacting, with amendments,  
13 Article - Commercial Law  
14 Section 9-401.2(3)  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 1999 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article - Corporations and Associations  
19 Section 1-203(8), 1-203.2, and 12-701  
20 Annotated Code of Maryland  
21 (1999 Replacement Volume)

22 BY adding to  
23 Article - Corporations and Associations  
24 Section 1-203.3  
25 Annotated Code of Maryland  
26 (1999 Replacement Volume)

27 BY repealing and reenacting, with amendments,

1 Article - Commercial Law  
 2 Section 9-525  
 3 Annotated Code of Maryland  
 4 (1997 Replacement Volume and 1999 Supplement)  
 5 (As enacted by Chapter 282 of the Acts of the General Assembly of 1999)

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

8 **Article - Commercial Law**

9 9-401.2.

10 (3) (a) Instead of the fees collected by a clerk of the circuit court under §  
 11 2-213 of the Courts Article, the State Department of Assessments and Taxation shall  
 12 retain 2.5 percent of recordation taxes received in respect of instruments filed with  
 13 the Department under this title.

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

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

21 (d) The State Treasurer shall hold and the State Comptroller shall  
 22 account for the fund.

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

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

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

28 **Article - Corporations and Associations**

29 1-203.

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

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

34 Recording any document, including financing statements..... [\$30] \$50

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

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

5 1-203.2.

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

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

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

13 (D) THE FEES COLLECTED UNDER § 1-203(8) OF THIS SUBTITLE SHALL BE  
 14 CREDITED TO THE FUND ESTABLISHED UNDER § 1-203.3 OF THIS SUBTITLE.

15 1-203.3.

16 (A) THERE IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO §  
 17 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

22 (C) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER  
 23 SHALL ACCOUNT FOR THE FUND.

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

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

27 12-701.

28 [(a) Except as provided in subsection (b) of this section, fees for the  
 29 Department] FEES FOR DOCUMENTS FILED OR REQUESTED UNDER THIS TITLE shall  
 30 be as provided for in § 1-203 of this article.

31 [(b) (1) In addition to those fees charged under subsection (a) of this section,  
 32 there shall be collected by and paid to the Department for all services described in §  
 33 1-203.2 of this article that are requested to be completed within the same day as the  
 34 day of the request, an additional sum of \$30.

1 (2) The fees collected under this subsection shall be credited to the fund  
2 created under § 9-401.2(3)(b) of the Commercial Law Article.]

3 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
4 read as follows:

5 **Article - Commercial Law**

6 9-525.

7 (a) Except as otherwise provided in subsection (c), the fee for filing and  
8 indexing a record under this part, other than an initial financing statement of the  
9 kind described in § 9-502(c), is:

10 (1) \$20 if the record is communicated in writing and consists of eight or  
11 fewer pages;

12 (2) \$75 if the record is communicated in writing and consists of more  
13 than eight pages; and

14 (3) \$20 if the record is communicated by another medium authorized by  
15 filing-office rule.

16 (b) The number of names required to be indexed does not affect the amount of  
17 the fee in subsection (a).

18 (c) This section does not require a fee with respect to a record of a mortgage  
19 which is effective as a financing statement filed as a fixture filing or as a financing  
20 statement covering as-extracted collateral or timber to be cut under § 9-502(c).  
21 However, the recording and satisfaction fees that otherwise would be applicable to the  
22 record of the mortgage apply.

23 (D) TWO AND ONE-HALF PERCENT OF THE RECORDATION TAXES PAID ON  
24 INSTRUMENTS FILED WITH THE DEPARTMENT UNDER THIS TITLE SHALL BE  
25 CREDITED TO THE FUND ESTABLISHED UNDER § 1-203.3 OF THE CORPORATIONS AND  
26 ASSOCIATIONS ARTICLE.

27 SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall  
28 take effect July 1, 2001.

29 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in  
30 Section 4 of this Act, this Act shall take effect July 1, 2000.