

HOUSE BILL 16

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2000 Regular Session
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(PRE-FILED)

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

Committee Report: Favorable

House action: Adopted

Read second time: March 22, 2000

CHAPTER _____

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

1 Article - Corporations and Associations
2 Section 1-203.3
3 Annotated Code of Maryland
4 (1999 Replacement Volume)

5 BY repealing and reenacting, with amendments,
6 Article - Commercial Law
7 Section 9-525
8 Annotated Code of Maryland
9 (1997 Replacement Volume and 1999 Supplement)
10 (As enacted by Chapter 282 of the Acts of the General Assembly of 1999)

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

13 **Article - Commercial Law**

14 9-401.2.

15 (3) (a) Instead of the fees collected by a clerk of the circuit court under §
16 2-213 of the Courts Article, the State Department of Assessments and Taxation shall
17 retain 2.5 percent of recordation taxes received in respect of instruments filed with
18 the Department under this title.

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

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

26 (d) The State Treasurer shall hold and the State Comptroller shall
27 account for the fund.

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

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

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

Article - Corporations and Associations

1-203.

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

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

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

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

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

1-203.2.

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

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

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

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

1-203.3.

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

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

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

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

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

1 12-701.

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

5 [(b) (1) In addition to those fees charged under subsection (a) of this section,
6 there shall be collected by and paid to the Department for all services described in §
7 1-203.2 of this article that are requested to be completed within the same day as the
8 day of the request, an additional sum of \$30.

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

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

13 **Article - Commercial Law**

14 9-525.

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

18 (1) \$20 if the record is communicated in writing and consists of eight or
19 fewer pages;

20 (2) \$75 if the record is communicated in writing and consists of more
21 than eight pages; and

22 (3) \$20 if the record is communicated by another medium authorized by
23 filing-office rule.

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

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

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

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

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