

SENATE BILL 121

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HB 682/01 - ECM

2002 Regular Session
2lr0970

By: **Senator Baker**

Introduced and read first time: January 11, 2002

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland and Foreign Business Trusts**

3 FOR the purpose of authorizing certain Maryland corporations to convert to a
4 Maryland business trust; establishing procedures for the conversion;
5 establishing a certain fee; providing for the dissolution and winding up of the
6 affairs of a series of a Maryland business trust under certain circumstances;
7 specifying the procedure for changing the name of the resident agent of a
8 Maryland business trust; requiring the certificate of trust of a Maryland
9 business trust to contain certain information; altering the manner in which a
10 certificate of trust may be amended; establishing a procedure by which a
11 certificate of trust may be restated or amended and restated; correcting an
12 erroneous reference to the place of filing a certain certificate of cancellation;
13 providing for the execution of certain business trust documents pursuant to
14 certain authorizations; providing that, to the extent that a trustee has certain
15 duties and liabilities to a business trust or a beneficial owner, a trustee acting
16 under a governing instrument is not liable to the business trust or a beneficial
17 owner for the trustee's good faith reliance on the governing instrument, and that
18 the trustee's duties and liabilities may be expanded or restricted in a governing
19 instrument; providing that, to the extent that certain persons have certain
20 duties and liabilities to a business trust, a beneficial owner, or a trustee, those
21 persons acting under a governing instrument are not liable to the business
22 trust, a beneficial owner, or a trustee for those persons' good faith reliance on
23 the governing instrument, and that those persons' duties and liabilities may be
24 expanded or restricted in a governing instrument; providing that beneficial
25 owners and trustees may take certain actions without a meeting under certain
26 circumstances; providing that beneficial owners and trustees may vote in person
27 or by proxy under certain circumstances; clarifying that certain beneficial
28 owners have a certain limitation of personal liability; authorizing the governing
29 instrument of a business trust to contain certain provisions with respect to
30 beneficial ownership of income earned on certain securities; authorizing certain
31 property of a business trust to be held in the name of any trustee with the same
32 effect as if the property were held in the name of the business trust under
33 certain circumstances; providing that a creditor of a trustee does not have
34 certain rights with respect to property of the business trust under certain
35 circumstances; clarifying that a business trust has the power to indemnify and

1 hold harmless officers of the business trust from certain claims and demands
2 under certain circumstances; providing that certain trustees of certain business
3 trusts shall be deemed to be independent and disinterested when making
4 certain determinations or taking certain actions; requiring foreign business
5 trusts to register in this State before doing certain business in this State;
6 establishing procedures for registration and cancellation of registration;
7 providing for forfeiture of the right of a foreign business trust to do business in
8 the State under certain circumstances; requiring a foreign business trust to
9 submit a certain annual report on personal property; authorizing the Attorney
10 General to bring a certain action; establishing certain penalties; establishing
11 procedures for the merger of a foreign business trust with certain other entities;
12 altering certain definitions; defining certain terms; making stylistic changes;
13 clarifying language; and generally relating to Maryland and foreign business
14 trusts.

15 BY repealing and reenacting, with amendments,
16 Article - Corporations and Associations
17 Section 1-203(1), 1-301(a), 3-101(d), 4A-101(e), 8-103(a), 8-501.1(a)(2),
18 12-101, 12-102(c), 12-203(c), 12-204, 12-207(a), 12-302(a), 12-303(a),
19 and 12-403
20 Annotated Code of Maryland
21 (1999 Replacement Volume and 2001 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article - Corporations and Associations
24 Section 8-501.1(a)(1)
25 Annotated Code of Maryland
26 (1999 Replacement Volume and 2001 Supplement)

27 BY adding to
28 Article - Corporations and Associations
29 Section 3-901 through 3-907, inclusive, to be under the new subtitle "Subtitle 9.
30 Conversion of a Corporation into a Maryland Business Trust"; 12-202(f)
31 and (g), 12-207(c) through (g), 12-303(f) and (g), and 12-404; and 12-901
32 through 12-912, inclusive, to be under the new subtitle "Subtitle 9.
33 Foreign Business Trusts"
34 Annotated Code of Maryland
35 (1999 Replacement Volume and 2001 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article - Tax - Property
38 Section 11-101(a)
39 Annotated Code of Maryland
40 (2001 Replacement Volume and 2001 Supplement)

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

3 **Article - Corporations and Associations**

4 1-203.

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

7 (1) For each of the following documents, the recording fee is \$20 and the
8 filing or special fee is as indicated:

9 Document	10 Filing or Special Fee
11 Articles of incorporation.....	none
12 Articles of amendment	none
13 Articles of extension.....	none
14 Articles of restatement of charter	none
15 Articles of amendment and restatement.....	none
16 Articles supplementary.....	none
17 Articles of share exchange.....	none
18 Articles of consolidation, merger, or transfer.....	\$4 for
19	each certificate
20 Articles of dissolution	\$30 (which
21	includes the cost
22	of publication of the
23	notice by the Department)
24 Articles of revival for stock corporation.....	\$30
25 Articles of revival for nonstock corporation	\$10
26 ARTICLES OF CONVERSION TO MARYLAND BUSINESS TRUST	NONE

27 1-301.

28 (a) Articles supplementary and articles of amendment, restatement,
29 restatement and amendment, consolidation, CONVERSION, merger, share exchange,
30 transfer, and extension and, except as provided in § 3-406(b) of this article, articles of
31 dissolution shall be executed as follows:

32 (1) They shall be signed and acknowledged for each corporation or real
33 estate investment trust party to the articles, by its chairman or vice chairman of the
34 board of directors or board of trustees, its chief executive officer, chief operating
35 officer, president or one of its vice presidents;

36 (2) They shall be witnessed or attested by the secretary or an assistant
37 secretary of each corporation or real estate investment trust party to the articles, or,
38 if authorized by the bylaws or resolution of the board of directors or board of trustees
39 and the articles so state, by any other officer or agent of the corporation or real estate
40 investment trust;

1 (3) They shall be signed and acknowledged for each other entity party to
2 the articles by a majority of the entire board of trustees or other governing body; and

3 (4) Except as provided in subsection (b) of this section, the matters and
4 facts set forth in the articles with respect to authorization and approval shall be
5 verified under oath as follows:

6 (i) With respect to any Maryland corporation or real estate
7 investment trust party to the articles, by the chairman or the secretary of the meeting
8 at which the articles or transaction were approved, or by the chairman or vice
9 chairman of the board of directors or board of trustees, chief executive officer, chief
10 operating officer, president, vice president, secretary, or assistant secretary of the
11 corporation or real estate investment trust;

12 (ii) With respect to any foreign corporation party to articles of
13 consolidation, merger, or share exchange, by the chief executive officer, chief
14 operating officer, president, vice president, secretary, or assistant secretary of the
15 corporation; and

16 (iii) With respect to any other Maryland or foreign entity party to
17 the articles, by the chief executive officer, chief operating officer, president, vice
18 president, secretary, assistant secretary, managing trustee, or persons acting in a
19 similar position for the entity.

20 3-101.

21 (d) "Business trust" means an unincorporated trust or association, including a
22 common-law trust, Massachusetts trust, [or] Maryland real estate investment trust
23 as defined in § 8-101(b) of this article, OR A BUSINESS TRUST AS DEFINED IN § 12-101
24 OF THIS ARTICLE, which is engaged in business and in which property is acquired,
25 held, managed, administered, controlled, invested, or disposed of by trustees for the
26 benefit and profit of any person who may become a holder of a transferable unit of
27 beneficial interest in the trust.

28 SUBTITLE 9. CONVERSION OF A CORPORATION INTO A MARYLAND BUSINESS
29 TRUST.

30 3-901.

31 A MARYLAND CORPORATION THAT IS REGISTERED UNDER THE INVESTMENT
32 COMPANY ACT OF 1940 MAY CONVERT TO A BUSINESS TRUST ON THE
33 AUTHORIZATION OF THE CONVERSION IN ACCORDANCE WITH THIS SUBTITLE.

34 3-902.

35 THE BOARD OF DIRECTORS OF THE CORPORATION THAT IS CONVERTING
36 UNDER THIS SUBTITLE SHALL ADOPT A RESOLUTION APPROVING THE CONVERSION
37 AND THE GOVERNING INSTRUMENT.

1 3-903.

2 THE CORPORATION SHALL FILE WITH THE DEPARTMENT:

3 (1) ARTICLES OF CONVERSION EXECUTED IN ACCORDANCE WITH § 1-301
4 OF THIS ARTICLE, WHICH CERTIFY:

5 (I) THE NAME OF THE CORPORATION;

6 (II) THE DATE OF FILING OF ITS ORIGINAL ARTICLES OF
7 INCORPORATION WITH THE DEPARTMENT;

8 (III) THE NAME OF THE BUSINESS TRUST INTO WHICH THE
9 CORPORATION WILL BE CONVERTED; AND

10 (IV) THAT THE CONVERSION AND THE GOVERNING INSTRUMENT
11 HAVE BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;
12 AND

13 (2) THE CERTIFICATE OF TRUST.

14 3-904.

15 ON ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION AND
16 CERTIFICATE OF TRUST IN ACCORDANCE WITH § 3-903 OF THIS SUBTITLE AND
17 PAYMENT TO THE DEPARTMENT OF ALL FEES REQUIRED UNDER § 1-203 OF THIS
18 ARTICLE, THE CORPORATION SHALL CEASE TO EXIST AS A MARYLAND CORPORATION
19 AND SHALL CONTINUE TO EXIST AS A BUSINESS TRUST AT THE TIME THE ARTICLES
20 OF CONVERSION AND CERTIFICATE OF TRUST BECOME EFFECTIVE IN ACCORDANCE
21 WITH § 1-206 OF THIS ARTICLE.

22 3-905.

23 THE CONVERSION OF A CORPORATION IN ACCORDANCE WITH ARTICLES OF
24 CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY OBLIGATIONS OR
25 LIABILITIES OF THE CORPORATION INCURRED BEFORE THE CONVERSION OR THE
26 PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE CONVERSION.

27 3-906.

28 UNLESS OTHERWISE PROVIDED IN A RESOLUTION OF CONVERSION ADOPTED
29 IN ACCORDANCE WITH THIS SUBTITLE:

30 (1) THE CONVERTING CORPORATION IS NOT REQUIRED TO WIND UP ITS
31 AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS;

32 (2) THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OR A
33 TRANSFER OF ASSETS OF THE CORPORATION; AND

1 (3) THE CONVERSION CONSTITUTES A CONTINUATION OF THE
2 EXISTENCE OF THE CONVERTING CORPORATION IN THE FORM OF THE BUSINESS
3 TRUST.

4 3-907.

5 A CORPORATION THAT HAS CONVERTED TO A BUSINESS TRUST IN
6 ACCORDANCE WITH THIS SUBTITLE MAY NOT ENGAGE IN ANY TRANSACTION THE
7 EFFECT OF WHICH IS TO CHANGE ITS DOMICILE TO A JURISDICTION OTHER THAN
8 MARYLAND WITHOUT OBTAINING THE PRIOR APPROVAL OF THE HOLDERS OF AT
9 LEAST TWO-THIRDS OF THE OUTSTANDING BENEFICIAL INTERESTS OF THE
10 BUSINESS TRUST ENTITLED TO VOTE ON THE MATTER.

11 4A-101.

12 (e) "Business trust" means a business trust or a foreign business trust as
13 defined in § 8-501.1 of this article OR A BUSINESS TRUST OR A FOREIGN BUSINESS
14 TRUST AS DEFINED IN § 12-101 OF THIS ARTICLE.

15 8-103.

16 (a) This title does not limit present law as it applies to the creation of or doing
17 of business in the State by:

- 18 (1) A "common-law trust";
- 19 (2) A "business trust"; [or]
- 20 (3) A "Massachusetts trust"; OR
- 21 (4) A BUSINESS TRUST FORMED UNDER § 12-204 OF THIS ARTICLE.

22 8-501.1.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) "Business trust" means an unincorporated trust or association,
25 including a Maryland real estate investment trust FORMED UNDER THIS TITLE, a
26 common-law trust, [or] a Massachusetts trust, OR A BUSINESS TRUST FORMED
27 UNDER § 12-204 OF THIS ARTICLE, which is engaged in business and in which property
28 is acquired, held, managed, administered, controlled, invested, or disposed of for the
29 benefit and profit of any person who may become a holder of a transferable unit of
30 beneficial interest in the trust.

31 12-101.

32 (a) In this title the following words have the meanings indicated.

33 (b) "Beneficial owner" means any owner of a beneficial interest in a business
34 trust, the fact of ownership to be determined and evidenced, whether by means of

1 registration, the issuance of certificates or otherwise, in conformity to the applicable
2 provisions of the governing instrument of the business trust.

3 (c) (1) "Business trust" means an unincorporated business, trust, or
4 association, INCLUDING A TRUST OF THE TYPE KNOWN AT COMMON LAW AS A
5 "BUSINESS TRUST" OR "MASSACHUSETTS TRUST", A TRUST QUALIFYING AS A REAL
6 ESTATE MORTGAGE INVESTMENT CONDUIT UNDER § 860D OF THE INTERNAL
7 REVENUE CODE, OR UNDER ANY SUCCESSOR PROVISION, OR A TRUST QUALIFYING
8 AS A REAL ESTATE INVESTMENT TRUST UNDER § 856 ET SEQ. OF THE INTERNAL
9 REVENUE CODE, OR UNDER ANY SUCCESSOR PROVISION, that:

10 (i) Is created by a governing instrument under which:

11 1. Property is or will be held, managed, administered,
12 controlled, invested, reinvested, or operated by a trustee for the benefit of persons as
13 are or may become entitled to a beneficial interest in the trust property; or

14 2. Business or professional activities for profit are carried on
15 or will be carried on by a trustee for the benefit of persons as are or may become
16 entitled to a beneficial interest in the trust property; and

17 (ii) Files a certificate of trust under § 12-204 of this title.

18 (2) ["Business trust" includes:

19 (i) A trust of the type known at common law as a "business trust"
20 or "Massachusetts trust"; or

21 (ii) A trust qualifying as a real estate mortgage investment conduit
22 under Section 860D of the United States Internal Revenue Code of 1986, as amended,
23 or under any successor provision.

24 (3)] "Business trust" does not include a trust organized as a real estate
25 investment trust under Title 8 of this article.

26 (D) "FOREIGN BUSINESS TRUST" MEANS A BUSINESS TRUST FORMED UNDER
27 THE LAWS OF ANY STATE OR UNDER THE LAWS OF ANY FOREIGN COUNTRY OR ANY
28 OTHER FOREIGN JURISDICTION.

29 [(d)] (E) "Foreign limited liability company" has the meaning stated in §
30 4A-101(j) of this article.

31 [(e)] (F) "Foreign limited partnership" has the meaning stated in § 10-101(f)
32 of this article.

33 [(f)] (G) "Governing instrument" means a DECLARATION OF TRUST OR OTHER
34 trust instrument which creates a business trust and provides for the governance of
35 the affairs of the business trust and the conduct of its business.

1 [(g)] (H) (1) "Other business entity" means a corporation, a general or
2 limited partnership, a common-law trust, a limited liability company, a real estate
3 investment trust or corporation, A FOREIGN BUSINESS TRUST, or any other
4 unincorporated business.

5 (2) "Other business entity" does not include a business trust.

6 [(h)] (I) "Person" means a natural person, partnership, limited partnership,
7 limited liability company, trust, estate, association, corporation, custodian, nominee
8 or any other individual or entity in its own or any representative capacity.

9 [(i)] (J) (1) "Trustee" means the person appointed as a trustee in
10 accordance with the governing instrument of a business trust.

11 (2) "Trustee" may include a beneficial owner of a business trust.

12 12-102.

13 (c) Any business trust qualifying as a real estate mortgage investment
14 conduit under Section 860D of the Internal Revenue Code or any successor provision
15 shall be exempt from income tax except WITH RESPECT TO that portion of its income
16 that is subject to federal income tax.

17 12-202.

18 (F) (1) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
19 INSTRUMENT, A SERIES ESTABLISHED IN ACCORDANCE WITH § 12-207(B) OF THIS
20 SUBTITLE MAY BE DISSOLVED AND ITS AFFAIRS WOUND UP WITHOUT CAUSING THE
21 DISSOLUTION OF THE BUSINESS TRUST OR ANY OTHER SERIES OF THE BUSINESS
22 TRUST.

23 (2) (I) UNLESS OTHERWISE PROVIDED IN THE GOVERNING
24 INSTRUMENT, THE DISSOLUTION, WINDING UP, LIQUIDATION, OR TERMINATION OF
25 ANY SERIES OF THE BUSINESS TRUST DOES NOT AFFECT THE LIMITATION OF
26 LIABILITY WITH RESPECT TO A SERIES ESTABLISHED IN ACCORDANCE WITH §
27 12-207(B) OF THIS SUBTITLE.

28 (II) A SERIES ESTABLISHED IN ACCORDANCE WITH § 12-207(B) OF
29 THIS SUBTITLE IS DISSOLVED AND ITS AFFAIRS ARE WOUND UP AT THE TIME OR ON
30 THE HAPPENING OF EVENTS SPECIFIED IN THE GOVERNING INSTRUMENT OF THE
31 BUSINESS TRUST.

32 (3) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
33 INSTRUMENT, THE DEATH, INCAPACITY, DISSOLUTION, TERMINATION, OR
34 BANKRUPTCY OF A BENEFICIAL OWNER OF THE SERIES DOES NOT RESULT IN THE
35 TERMINATION OR DISSOLUTION OF THE SERIES, AND THE SERIES MAY NOT BE
36 TERMINATED OR REVOKED BY A BENEFICIAL OWNER OF THE SERIES OR OTHER
37 PERSON EXCEPT IN ACCORDANCE WITH THE TERMS OF THE GOVERNING
38 INSTRUMENT OF THE BUSINESS TRUST.

1 (G) (1) ON DISSOLUTION OF A SERIES OF A BUSINESS TRUST, THE PERSONS
2 WHO, UNDER THE GOVERNING INSTRUMENT OF THE BUSINESS TRUST, ARE
3 RESPONSIBLE FOR WINDING UP THE SERIES' AFFAIRS MAY, IN THE NAME OF THE
4 BUSINESS TRUST AND FOR AND ON BEHALF OF THE BUSINESS TRUST AND THE
5 SERIES, TAKE ALL ACTIONS WITH RESPECT TO THE SERIES AS AUTHORIZED UNDER
6 SUBSECTION (D) OF THIS SECTION AND SHALL PROVIDE FOR THE CLAIMS AND
7 OBLIGATIONS OF THE SERIES AND DISTRIBUTE THE ASSETS OF THE SERIES AS
8 PROVIDED UNDER SUBSECTION (E) OF THIS SECTION.

9 (2) ANY PERSON, INCLUDING ANY TRUSTEE, WHO UNDER THE
10 GOVERNING INSTRUMENT IS RESPONSIBLE FOR WINDING UP THE SERIES' AFFAIRS
11 AND WHO HAS COMPLIED WITH SUBSECTIONS (D) AND (E) OF THIS SECTION IS NOT
12 PERSONALLY LIABLE TO THE CLAIMANTS OF THE DISSOLVED SERIES BY REASON OF
13 THE ACTIONS OF THE PERSON IN WINDING UP THE SERIES.

14 12-203.

15 (c) (1) A resident agent who changes the resident agent's NAME OR address
16 in the State shall notify the Department of the change by filing for record with the
17 Department a statement of the change signed by the resident agent or on behalf of the
18 resident agent.

19 (2) The statement shall include:

20 (i) The names of the business trusts for which the change is
21 effective;

22 (ii) The resident agent's old and new addresses OR THE RESIDENT
23 AGENT'S OLD AND NEW NAMES; and

24 (iii) The date on which the change is effective.

25 (3) If the old and new addresses of the resident agent are the same as the
26 old and new addresses of the principal office of the business trust, the statement may
27 include a change of address for the principal office if:

28 (i) The resident agent notifies the business trust in writing that
29 the statement will be filed; and

30 (ii) The statement recites that the resident agent has done so.

31 (4) The change of NAME OR address of the resident agent or principal
32 office OF THE BUSINESS TRUST is effective when the Department accepts the
33 statement for record.

34 12-204.

35 (a) (1) A certificate of trust filed by a business trust with the Department
36 shall set forth:

- 1 (i) The name of the business trust;
- 2 (ii) The name and the business address of the resident agent;
- 3 (iii) The address of the principal office of the business trust in the
4 State; [and]

5 (IV) THE FUTURE EFFECTIVE DATE OR TIME, WHICH SHALL BE A
6 DATE OR TIME CERTAIN NOT TO EXCEED 30 DAYS FROM THE DATE ON WHICH THE
7 CERTIFICATE IS ACCEPTED FOR RECORD BY THE DEPARTMENT, OF THE
8 EFFECTIVENESS OF THE CERTIFICATE, IF THE CERTIFICATE IS NOT TO BE
9 EFFECTIVE ON THE FILING OF THE CERTIFICATE; AND

10 [(iv)] (V) Any other matters the trustees determine to include in the
11 certificate.

12 (2) A business trust is formed at the time of the filing of the initial
13 certificate of trust with the Department or at any later date or time specified in the
14 certificate of trust if, in either case, there has been substantial compliance with the
15 requirements of this section.

16 (3) A certificate of trust shall be signed by all of the trustees.

17 (b) (1) [A] EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE
18 GOVERNING INSTRUMENT OR THE CERTIFICATE OF TRUST, A certificate of trust may
19 be amended by filing a certificate of amendment to the certificate of trust with the
20 Department. The certificate of amendment shall set forth:

- 21 (i) The name of the business trust; and
- 22 (ii) The amendment to the certificate of trust.

23 (2) A certificate of trust may be amended at any time for any purpose as
24 the trustees may determine. A trustee who becomes aware that any statement in a
25 certificate of trust was false when made or that any matter described has changed
26 making the certificate of trust false in any material respect shall promptly file a
27 certificate of amendment.

28 (3) A certificate of amendment shall be signed by [one or more] A
29 MAJORITY of the trustees or by an officer of the trust duly authorized by a majority of
30 the trustees.

31 (C) (1) SUBJECT TO THE PROVISIONS OF THE GOVERNING INSTRUMENT OR
32 CERTIFICATE OF TRUST, A CERTIFICATE OF TRUST MAY BE RESTATED BY
33 INTEGRATING INTO A SINGLE INSTRUMENT ALL THE PROVISIONS OF THE
34 CERTIFICATE OF TRUST WHICH ARE THEN IN EFFECT AND OPERATIVE AS A RESULT
35 OF THERE HAVING BEEN FILED ONE OR MORE CERTIFICATES OF AMENDMENT
36 PURSUANT TO SUBSECTION (B) OF THIS SECTION, AND THE CERTIFICATE OF TRUST
37 MAY BE AMENDED OR FURTHER AMENDED BY THE FILING OF A RESTATED
38 CERTIFICATE OF TRUST.

1 (2) THE RESTATED CERTIFICATE OF TRUST SHALL BE SPECIFICALLY
2 DESIGNATED AS A RESTATED CERTIFICATE OF TRUST IN ITS HEADING AND SHALL
3 SET FORTH:

4 (I) THE PRESENT NAME OF THE BUSINESS TRUST, AND IF IT HAS
5 BEEN CHANGED, THE NAME UNDER WHICH THE BUSINESS TRUST WAS ORIGINALLY
6 FORMED;

7 (II) THE DATE OF FILING OF THE ORIGINAL CERTIFICATE OF TRUST
8 WITH THE DEPARTMENT;

9 (III) THE INFORMATION REQUIRED TO BE INCLUDED PURSUANT TO
10 SUBSECTION (A) OF THIS SECTION; AND

11 (IV) ANY OTHER INFORMATION THE TRUSTEES DETERMINE TO
12 INCLUDE IN THE RESTATED CERTIFICATE OF TRUST.

13 (3) (I) A CERTIFICATE OF TRUST MAY BE RESTATED AT ANY TIME FOR
14 ANY PURPOSE AS THE TRUSTEES MAY DETERMINE.

15 (II) A TRUSTEE WHO BECOMES AWARE THAT ANY STATEMENT IN A
16 RESTATED CERTIFICATE OF TRUST WAS FALSE WHEN MADE, OR THAT ANY MATTER
17 DESCRIBED HAS CHANGED MAKING THE RESTATED CERTIFICATE FALSE IN ANY
18 MATERIAL RESPECT, SHALL PROMPTLY FILE A CERTIFICATE OF AMENDMENT OR A
19 RESTATED CERTIFICATE OF TRUST.

20 [(c)] (D) (1) A certificate of trust shall be canceled on the completion of
21 winding up of the business trust and its termination. A certificate of cancellation shall
22 be filed [in the office of the Secretary of State] WITH THE DEPARTMENT and set forth:

23 (i) The name of the business trust;

24 (ii) The date of filing of its certificate of trust; and

25 (iii) Any other information the trustees determine to include in the
26 certificate of cancellation.

27 (2) A certificate of cancellation shall be signed by a majority of the
28 trustees or by an officer of the trust duly authorized by a majority of the trustees, or
29 if there is no trustee, as provided in the governing instrument of the business trust.

30 [(d)] (E) (1) A certificate of trust, certificate of amendment, or certificate of
31 cancellation shall be effective when accepted for record by the Department or at any
32 later time specified in the certificate.

33 (2) If any certificate filed in accordance with this section provides for a
34 future effective date or time and if the transaction is terminated or amended to
35 change the future effective date or time prior to the future effective date or time, the
36 certificate shall be terminated or amended by the filing, prior to the future effective
37 date or time set forth in such original certificate, of a certificate of termination or

1 amendment of the original certificate, executed and filed in accordance with this title,
2 which shall identify the original certificate which has been terminated or amended
3 and shall state that the original certificate has been terminated or amended.

4 [(e)] (F) (1) The execution of a certificate by a trustee or duly authorized
5 officer constitutes an affirmation under the penalties of perjury that, to the best of
6 the trustee's or officer's knowledge and belief, the facts stated in the certificate are
7 true.

8 (2) (I) EXCEPT AS OTHERWISE PROVIDED IN THE GOVERNING
9 INSTRUMENT, ANY PERSON MAY SIGN A CERTIFICATE, AN AMENDMENT OF A
10 CERTIFICATE, OR A RESTATEMENT OF A CERTIFICATE, OR ENTER INTO A
11 GOVERNING INSTRUMENT OR AN AMENDMENT OF A GOVERNING INSTRUMENT, BY
12 ANY AGENT, INCLUDING AN ATTORNEY-IN-FACT.

13 (II) AN AUTHORIZATION, INCLUDING A POWER OF ATTORNEY, TO
14 SIGN A CERTIFICATE, AN AMENDMENT OF A CERTIFICATE, OR A RESTATEMENT OF A
15 CERTIFICATE, OR TO ENTER INTO A GOVERNING INSTRUMENT OR AN AMENDMENT
16 OF A GOVERNING INSTRUMENT, NEED NOT BE IN WRITING, SWORN TO, VERIFIED, OR
17 ACKNOWLEDGED, AND NEED NOT BE FILED WITH THE DEPARTMENT, BUT IF AN
18 AUTHORIZATION IS IN WRITING, IT MUST BE RETAINED BY THE BUSINESS TRUST, A
19 TRUSTEE, OR OTHER PERSON AUTHORIZED TO MANAGE THE BUSINESS AND AFFAIRS
20 OF THE BUSINESS TRUST.

21 12-207.

22 (a) A governing instrument may:

23 (1) Provide that a person shall become a beneficial owner and shall
24 become bound by the governing instrument if such person, or a representative
25 authorized by such person orally, in writing, or by other action such as payment for a
26 beneficial interest, complies with the conditions for becoming a beneficial owner set
27 forth in the governing instrument or any other writing and acquires a beneficial
28 interest;

29 (2) Consist of one or more agreements, instruments, or other writings
30 and may [include] REFER TO, INCLUDE, or incorporate bylaws containing provisions
31 relating to the business of the business trust, the conduct of its affairs, and its rights
32 or powers or the rights, DUTIES, or powers of its trustees, beneficial owners, agents, or
33 employees; and

34 (3) Contain any provision that is not inconsistent with law or with the
35 information contained in the certificate of trust.

36 (C) TO THE EXTENT THAT, AT LAW OR IN EQUITY, A TRUSTEE HAS DUTIES,
37 AND LIABILITIES RELATING TO THOSE DUTIES, TO A BUSINESS TRUST OR TO A
38 BENEFICIAL OWNER:

1 (1) THE TRUSTEE ACTING UNDER A GOVERNING INSTRUMENT IS NOT
2 LIABLE TO THE BUSINESS TRUST OR TO A BENEFICIAL OWNER FOR THE TRUSTEE'S
3 GOOD FAITH RELIANCE ON THE PROVISIONS OF THE GOVERNING INSTRUMENT; AND

4 (2) THE TRUSTEE'S DUTIES AND LIABILITIES MAY BE EXPANDED OR
5 RESTRICTED BY PROVISIONS IN A GOVERNING INSTRUMENT.

6 (D) TO THE EXTENT THAT, AT LAW OR IN EQUITY, AN OFFICER, EMPLOYEE,
7 MANAGER, OR OTHER PERSON APPOINTED, ELECTED, OR ENGAGED UNDER
8 SUBSECTION (B)(7) OF THIS SECTION HAS DUTIES, AND LIABILITIES RELATING TO
9 THOSE DUTIES, TO A BUSINESS TRUST, A BENEFICIAL OWNER, OR A TRUSTEE:

10 (1) THE OFFICER, EMPLOYEE, MANAGER, OR OTHER PERSON ACTING
11 UNDER A GOVERNING INSTRUMENT IS NOT LIABLE TO THE BUSINESS TRUST, A
12 BENEFICIAL OWNER, OR A TRUSTEE FOR THE OFFICER'S, EMPLOYEE'S, MANAGER'S,
13 OR OTHER PERSON'S GOOD FAITH RELIANCE ON THE PROVISIONS OF THE
14 GOVERNING INSTRUMENT; AND

15 (2) THE DUTIES AND LIABILITIES OF AN OFFICER, EMPLOYEE,
16 MANAGER, OR OTHER PERSON ACTING AS AUTHORIZED UNDER SUBSECTION (B)(7) OF
17 THIS SECTION MAY BE EXPANDED OR RESTRICTED BY PROVISIONS IN A GOVERNING
18 INSTRUMENT.

19 (E) IF PROVIDED IN THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, ON
20 ANY MATTER THAT IS TO BE VOTED ON BY THE BENEFICIAL OWNERS:

21 (1) THE BENEFICIAL OWNERS MAY TAKE AN ACTION WITHOUT A
22 MEETING, WITHOUT A PRIOR NOTICE, AND WITHOUT A VOTE IF A CONSENT OR
23 CONSENTS IN WRITING, SETTING FORTH THE ACTION TAKEN, IS SIGNED BY THE
24 BENEFICIAL OWNERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES
25 THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT
26 WHICH ALL INTERESTS IN THE BUSINESS TRUST ENTITLED TO VOTE ON THE
27 MATTER WERE PRESENT AND VOTED; AND

28 (2) THE BENEFICIAL OWNERS MAY VOTE IN PERSON OR BY PROXY.

29 (F) IF PROVIDED IN THE GOVERNING INSTRUMENT OR BYLAWS OF A
30 BUSINESS TRUST, ON ANY MATTER THAT IS TO BE VOTED ON BY THE TRUSTEES:

31 (1) THE TRUSTEES MAY TAKE AN ACTION WITHOUT A MEETING,
32 WITHOUT A PRIOR NOTICE, AND WITHOUT A VOTE IF A CONSENT OR CONSENTS IN
33 WRITING, SETTING FORTH THE ACTION SO TAKEN, IS SIGNED BY THE TRUSTEES
34 HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE
35 NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT WHICH ALL
36 TRUSTEES ENTITLED TO VOTE ON THE MATTER WERE PRESENT AND VOTED; AND

37 (2) THE TRUSTEES MAY VOTE IN PERSON OR BY PROXY.

38 (G) THE GOVERNING INSTRUMENT OR BYLAWS OF A BUSINESS TRUST MAY
39 PROVIDE FOR THE CONDITIONS UNDER WHICH ONE OR MORE BENEFICIAL OWNERS

1 OR TRUSTEES MAY BE ENTITLED TO ATTEND MEETINGS, TO VOTE OR EXECUTE
2 WRITTEN CONSENTS, TO SERVE AS A TRUSTEE OR OFFICER OR AS A MEMBER OF ANY
3 COMMITTEE OF TRUSTEES, TO RECEIVE COMPENSATION FOR SERVICES, OR TO
4 EXERCISE ANY OTHER POWER OR RIGHT UNDER THE LAWS OF THIS STATE OR
5 UNDER ANY OTHER LAW TO THE EXTENT NOT INCONSISTENT WITH THE OTHER LAW.
6 12-302.

7 (a) Except to the extent otherwise provided in the governing instrument of the
8 business trust, the beneficial owners shall [be entitled to] HAVE the same limitation
9 of personal liability extended to [shareholders] STOCKHOLDERS of a Maryland
10 corporation formed under Title 2 of this article.

11 12-303.

12 (a) (1) Except to the extent otherwise provided in the governing instrument
13 of the business trust, a beneficial owner shall have an undivided beneficial interest in
14 the property of the business trust and shall share in the profits and losses of the
15 business trust in the proportion of the entire undivided beneficial interest in the
16 business trust owned by the beneficial owner.

17 (2) THE GOVERNING INSTRUMENT OF A BUSINESS TRUST MAY PROVIDE
18 THAT THE BUSINESS TRUST OR THE TRUSTEES, ACTING FOR AND ON BEHALF OF THE
19 BUSINESS TRUST, SHALL BE CONSIDERED TO HOLD BENEFICIAL OWNERSHIP OF ANY
20 INCOME EARNED ON SECURITIES OF THE BUSINESS TRUST ISSUED BY ANY
21 BUSINESS ENTITIES FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF ANY
22 JURISDICTION, INCLUDING THE LAWS OF ANY FOREIGN COUNTRY.

23 (F) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
24 INSTRUMENT OF THE BUSINESS TRUST, LEGAL TITLE TO THE PROPERTY OF THE
25 BUSINESS TRUST, OR ANY PART OF THE BUSINESS TRUST, MAY BE HELD IN THE
26 NAME OF ANY TRUSTEE OF THE BUSINESS TRUST, IN THE TRUSTEE'S CAPACITY AS A
27 TRUSTEE, WITH THE SAME EFFECT AS IF THE PROPERTY WERE HELD IN THE NAME
28 OF THE BUSINESS TRUST.

29 (G) NO CREDITOR OF A TRUSTEE HAS THE RIGHT TO OBTAIN POSSESSION OF,
30 OR OTHERWISE EXERCISE LEGAL OR EQUITABLE REMEDIES WITH RESPECT TO, THE
31 PROPERTY OF THE BUSINESS TRUST WITH RESPECT TO ANY CLAIM AGAINST, OR
32 OBLIGATION OF, THE TRUSTEE IN THE TRUSTEE'S INDIVIDUAL CAPACITY, AND NOT
33 IN A CAPACITY RELATED TO THE BUSINESS TRUST.

34 12-403.

35 (a) Subject to the standards and restrictions, if any, set forth in the governing
36 instrument of a business trust, a business trust shall have the power to indemnify
37 and hold harmless any trustee, OFFICER, or other person from and against any and
38 all claims and demands.

1 (b) Unless otherwise provided by the governing instrument of a business
2 trust, a trustee OR OFFICER shall be indemnified to the same extent as a director OR
3 OFFICER of a corporation under § 2-418 of this article.

4 12-404.

5 (A) THIS SECTION APPLIES TO A BUSINESS TRUST THAT IS AN INVESTMENT
6 COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

7 (B) A TRUSTEE OF A BUSINESS TRUST WHO WITH RESPECT TO THE BUSINESS
8 TRUST IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT COMPANY
9 ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND DISINTERESTED WHEN
10 MAKING ANY DETERMINATION OR TAKING ANY ACTION AS A TRUSTEE.

11 SUBTITLE 9. FOREIGN BUSINESS TRUSTS.

12 12-901.

13 (A) SUBJECT TO THE MARYLAND CONSTITUTION:

14 (1) THE LAWS OF THE STATE UNDER WHICH A BUSINESS TRUST IS
15 ORGANIZED GOVERN ITS ORGANIZATION, INTERNAL AFFAIRS, AND THE LIABILITY OF
16 ITS TRUSTEES; AND

17 (2) A FOREIGN BUSINESS TRUST MAY NOT BE DENIED REGISTRATION BY
18 REASON OF ANY DIFFERENCE BETWEEN THOSE LAWS AND THE LAWS OF THIS
19 STATE.

20 (B) A FOREIGN BUSINESS TRUST MAY NOT DO ANY KIND OF INTRASTATE,
21 INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WHICH THE LAWS OF THIS
22 STATE PROHIBIT A DOMESTIC BUSINESS TRUST FROM DOING.

23 12-902.

24 (A) BEFORE DOING ANY INTERSTATE, INTRASTATE, OR FOREIGN BUSINESS IN
25 THIS STATE, A FOREIGN BUSINESS TRUST SHALL REGISTER WITH THE DEPARTMENT.

26 (B) TO REGISTER, A FOREIGN BUSINESS TRUST SHALL SUBMIT TO THE
27 DEPARTMENT AN APPLICATION FOR REGISTRATION AS A FOREIGN BUSINESS TRUST
28 EXECUTED BY AN AUTHORIZED PERSON AND SETTING FORTH:

29 (1) THE NAME OF THE FOREIGN BUSINESS TRUST AND, IF DIFFERENT,
30 THE NAME UNDER WHICH IT PROPOSES TO REGISTER AND DO BUSINESS IN THIS
31 STATE;

32 (2) THE STATE UNDER WHOSE LAWS IT WAS FORMED AND THE DATE OF
33 ITS FORMATION;

34 (3) THE GENERAL CHARACTER OF THE BUSINESS IT PROPOSES TO
35 TRANSACT IN THIS STATE;

1 (4) THE NAME AND ADDRESS OF ITS RESIDENT AGENT IN THIS STATE;

2 (5) A STATEMENT THAT THE DEPARTMENT IS APPOINTED AS THE
3 RESIDENT AGENT OF THE FOREIGN BUSINESS TRUST IF NO RESIDENT AGENT HAS
4 BEEN DESIGNATED UNDER ITEM (4) OF THIS SUBSECTION OR, IF A RESIDENT AGENT
5 HAS BEEN DESIGNATED, THE RESIDENT AGENT'S AUTHORITY HAS BEEN REVOKED
6 OR THE RESIDENT AGENT CANNOT BE FOUND OR SERVED WITH THE EXERCISE OF
7 REASONABLE DILIGENCE; AND

8 (6) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED IN THE
9 STATE OF ITS ORGANIZATION BY THE LAWS OF THAT STATE OR, IF NOT SO REQUIRED,
10 OF THE PRINCIPAL OFFICE OF THE BUSINESS TRUST.

11 12-903.

12 A FOREIGN BUSINESS TRUST MAY REGISTER WITH THE DEPARTMENT UNDER
13 ANY NAME, WHETHER OR NOT IT IS THE NAME UNDER WHICH IT IS REGISTERED IN
14 ITS STATE OF ORGANIZATION, AS PROVIDED UNDER TITLE 1, SUBTITLE 5 OF THIS
15 ARTICLE.

16 12-904.

17 IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A FOREIGN
18 BUSINESS TRUST IS FALSE WHEN MADE OR ANY ARRANGEMENTS OR OTHER FACTS
19 DESCRIBED HAVE CHANGED MAKING THE APPLICATION INACCURATE IN ANY
20 RESPECT, THE FOREIGN BUSINESS TRUST SHALL PROMPTLY FILE WITH THE
21 DEPARTMENT A CERTIFICATE, EXECUTED BY AN AUTHORIZED PERSON,
22 CORRECTING THE STATEMENT.

23 12-905.

24 (A) A FOREIGN BUSINESS TRUST MAY CANCEL ITS REGISTRATION BY FILING
25 WITH THE DEPARTMENT A CERTIFICATE OF CANCELLATION EXECUTED BY AN
26 AUTHORIZED PERSON.

27 (B) THE FILING OF A CERTIFICATE OF CANCELLATION DOES NOT TERMINATE
28 THE AUTHORITY OF THE DEPARTMENT TO ACCEPT SERVICE OF PROCESS ON THE
29 FOREIGN BUSINESS TRUST WITH RESPECT TO CAUSES OF ACTION ARISING OUT OF
30 DOING BUSINESS IN THIS STATE.

31 12-906.

32 (A) IF A FOREIGN BUSINESS TRUST IS DOING OR HAS DONE ANY INTRASTATE,
33 INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT COMPLYING WITH
34 THE REQUIREMENTS OF THIS SUBTITLE, THE FOREIGN BUSINESS TRUST AND ANY
35 PERSON CLAIMING UNDER IT MAY NOT MAINTAIN SUIT IN ANY COURT IN THIS
36 STATE, UNLESS THE BUSINESS TRUST SHOWS TO THE SATISFACTION OF THE COURT
37 THAT:

1 (1) THE FOREIGN BUSINESS TRUST OR THE PERSON CLAIMING UNDER
2 IT HAS PAID THE PENALTY SPECIFIED IN SUBSECTION (D)(1) OF THIS SECTION; AND

3 (2) (I) THE FOREIGN BUSINESS TRUST OR A SUCCESSOR TO IT HAS
4 COMPLIED WITH THE REQUIREMENTS OF THIS TITLE; OR

5 (II) THE FOREIGN BUSINESS TRUST AND ANY FOREIGN BUSINESS
6 TRUST SUCCESSOR TO IT ARE NO LONGER DOING INTRASTATE, INTERSTATE, OR
7 FOREIGN BUSINESS IN THIS STATE.

8 (B) THE FAILURE OF A FOREIGN BUSINESS TRUST TO REGISTER IN THIS
9 STATE DOES NOT IMPAIR THE VALIDITY OF A CONTRACT OR ACT OF THE FOREIGN
10 BUSINESS TRUST OR PREVENT THE FOREIGN BUSINESS TRUST FROM DEFENDING
11 ANY ACTION, SUIT, OR PROCEEDING IN A COURT OF THIS STATE.

12 (C) A FOREIGN BUSINESS TRUST, BY DOING BUSINESS IN THIS STATE
13 WITHOUT REGISTRATION, APPOINTS THE DEPARTMENT AS ITS AGENT FOR SERVICE
14 OF PROCESS WITH RESPECT TO CAUSES OF ACTION ARISING OUT OF DOING
15 BUSINESS IN THIS STATE.

16 (D) (1) (I) IF A FOREIGN BUSINESS TRUST DOES ANY INTRASTATE,
17 INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT REGISTERING, THE
18 DEPARTMENT SHALL IMPOSE A PENALTY OF \$200 ON THE BUSINESS TRUST.

19 (II) THE PENALTY UNDER THIS SUBSECTION SHALL BE COLLECTED
20 AND MAY BE REDUCED OR ABATED UNDER § 14-704 OF THE TAX - PROPERTY
21 ARTICLE.

22 (2) EACH TRUSTEE OF A FOREIGN BUSINESS TRUST THAT DOES
23 INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT
24 REGISTERING, AND EACH AGENT OF THE FOREIGN BUSINESS TRUST WHO
25 TRANSACTS INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE FOR IT
26 IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
27 EXCEEDING \$1,000.

28 12-907.

29 THE ATTORNEY GENERAL MAY BRING AN ACTION TO RESTRAIN A FOREIGN
30 BUSINESS TRUST FROM DOING BUSINESS IN THIS STATE IN VIOLATION OF THIS
31 SUBTITLE.

32 12-908.

33 (A) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY NOT CONSTITUTE
34 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, THE
35 FOLLOWING ACTIVITIES OF A FOREIGN BUSINESS TRUST DO NOT CONSTITUTE
36 DOING BUSINESS IN THIS STATE:

37 (1) MAINTAINING, DEFENDING, OR SETTLING AN ACTION, SUIT, CLAIM,
38 DISPUTE, OR ADMINISTRATIVE OR ARBITRATION PROCEEDING;

1 (2) HOLDING MEETINGS OF ITS TRUSTEES OR AGENTS OR CARRYING ON
2 OTHER ACTIVITIES THAT RELATE TO ITS INTERNAL AFFAIRS;

3 (3) MAINTAINING BANK ACCOUNTS;

4 (4) CONDUCTING AN ISOLATED TRANSACTION NOT IN THE COURSE OF A
5 NUMBER OF SIMILAR TRANSACTIONS;

6 (5) FORECLOSING MORTGAGES AND DEEDS OF TRUST ON PROPERTY IN
7 THIS STATE;

8 (6) AS A RESULT OF DEFAULT UNDER A MORTGAGE OR DEED OF TRUST,
9 ACQUIRING TITLE TO PROPERTY IN THIS STATE BY FORECLOSURE, DEED IN LIEU OF
10 FORECLOSURE, OR OTHERWISE;

11 (7) HOLDING, PROTECTING, RENTING, MAINTAINING, AND OPERATING
12 PROPERTY IN THIS STATE ACQUIRED AS DESCRIBED IN ITEM (6) OF THIS
13 SUBSECTION; OR

14 (8) SELLING OR TRANSFERRING TITLE TO PROPERTY IN THIS STATE
15 ACQUIRED AS DESCRIBED IN ITEM (6) OF THIS SUBSECTION TO ANY PERSON,
16 INCLUDING THE FEDERAL HOUSING ADMINISTRATION OR THE VETERANS
17 ADMINISTRATION.

18 (B) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY CONSTITUTE DOING
19 BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, A FOREIGN
20 BUSINESS TRUST THAT OWNS INCOME PRODUCING REAL OR TANGIBLE PERSONAL
21 PROPERTY IN THIS STATE, OTHER THAN PROPERTY EXEMPTED BY SUBSECTION (A)
22 OF THIS SECTION, SHALL BE CONSIDERED TO BE DOING BUSINESS IN THIS STATE.

23 12-909.

24 BY DOING INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE, A
25 FOREIGN BUSINESS TRUST ASSENTS TO THE LAWS OF THIS STATE.

26 12-910.

27 WITH RESPECT TO A CAUSE OF ACTION AS TO WHICH A FOREIGN BUSINESS
28 TRUST WOULD NOT OTHERWISE BE SUBJECT TO SUIT IN THIS STATE, COMPLIANCE
29 WITH THIS SUBTITLE:

30 (1) DOES NOT OF ITSELF RENDER A FOREIGN BUSINESS TRUST SUBJECT
31 TO SUIT IN THIS STATE; AND

32 (2) IS NOT CONSIDERED AS CONSENT BY IT TO BE SUED IN THIS STATE.
33 12-911.

34 (A) IF A FOREIGN BUSINESS TRUST THAT OWNS PROPERTY RIGHTS,
35 PRIVILEGES, FRANCHISES, OR OTHER ASSETS LOCATED IN THIS STATE IS A PARTY TO
36 A MERGER IN WHICH A FOREIGN CORPORATION, FOREIGN LIMITED PARTNERSHIP,

1 OR A FOREIGN BUSINESS TRUST IS THE SUCCESSOR, THE TRANSFER TO, VESTING IN,
2 OR DEVOLUTION ON THE SUCCESSOR OF THE PROPERTY RIGHTS, PRIVILEGES,
3 FRANCHISES, OR OTHER ASSETS OF THE NONSURVIVING FOREIGN BUSINESS TRUST
4 IS EFFECTIVE AS PROVIDED BY THE LAWS OF THE PLACE THAT GOVERNS THE
5 MERGER.

6 (B) THE SUCCESSOR SHALL FILE WITH THE DEPARTMENT A CERTIFICATE
7 EXECUTED BY AN AUTHORIZED PERSON THAT SPECIFIES:

8 (1) EACH COUNTY IN THIS STATE WHERE A FOREIGN BUSINESS TRUST
9 PARTY TO THE MERGER, EXCEPT THE SUCCESSOR, OWNED AN INTEREST IN LAND;

10 (2) THE NAME OF EACH PARTY TO THE MERGER;

11 (3) THE PLACE UNDER THE LAWS OF WHICH EACH PARTY WAS
12 ORGANIZED; AND

13 (4) THE NAME OF THE SUCCESSOR.

14 (C) IF A COPY OF THE DOCUMENT EFFECTING THE MERGER HAS NOT BEEN
15 FILED WITH THE DEPARTMENT AS PROVIDED IN § 12-205 OF THIS TITLE, THE
16 SUCCESSOR SHALL FILE WITH THE DEPARTMENT AN OFFICIALLY CERTIFIED COPY
17 OF THAT DOCUMENT.

18 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
19 WHEN THE DEPARTMENT RECEIVES THE ARTICLES AND ANY CERTIFICATE OF THE
20 SUCCESSOR, THE DEPARTMENT SHALL PREPARE AND FILE CERTIFICATES OF
21 MERGER IN THE MANNER PROVIDED FOR A BUSINESS TRUST.

22 (2) THE CERTIFICATE OF MERGER NEED NOT STATE THE PRINCIPAL
23 OFFICE IN THE STATE OF ANY BUSINESS TRUST THAT DOES NOT HAVE A PRINCIPAL
24 OFFICE, AND THE CERTIFICATE OF MERGER SHALL INCLUDE OTHER INFORMATION
25 SPECIFIED IN THE CERTIFICATE FILED BY THE SUCCESSOR.

26 12-912.

27 (A) THE DEPARTMENT MAY FORFEIT THE RIGHT OF ANY FOREIGN BUSINESS
28 TRUST TO DO BUSINESS IN THE STATE IF THE FOREIGN BUSINESS TRUST FAILS TO
29 FILE WITH THE DEPARTMENT ANY REPORT OR FAILS TO PAY ANY LATE FILING FEE
30 REQUIRED BY LAW:

31 (1) WITHIN THE TIME REQUIRED BY LAW; AND

32 (2) THEREAFTER, WITHIN 30 DAYS AFTER THE DEPARTMENT MAKES A
33 WRITTEN DEMAND FOR THE DELINQUENT REPORT OR LATE FILING PENALTIES.

34 (B) UNLESS THE DEPARTMENT EXCUSES A REASONABLE DELAY FOR GOOD
35 CAUSE SHOWN, THE FORFEITURE IS EFFECTIVE 15 DAYS AFTER WRITTEN NOTICE OF
36 FORFEITURE FROM THE DEPARTMENT, WITHOUT PROCEEDINGS OF ANY KIND
37 EITHER AT LAW OR EQUITY.

1 (C) THE DEMAND FOR A DELINQUENT REPORT OR LATE FILING PENALTIES
2 AND THE NOTICE OF FORFEITURE SHALL BE ADDRESSED TO THE FOREIGN BUSINESS
3 TRUST:

4 (1) AT THE ADDRESS OF THE FOREIGN BUSINESS TRUST ON FILE WITH
5 THE DEPARTMENT; OR

6 (2) IF THE FOREIGN BUSINESS TRUST HAS NO ADDRESS ON FILE WITH
7 THE DEPARTMENT, IN CARE OF THE SECRETARY OF STATE OR CORRESPONDING
8 OFFICIAL OF THE PLACE WHERE THE FOREIGN BUSINESS TRUST WAS CHARTERED
9 OR IS EXISTING, IF KNOWN TO THE DEPARTMENT.

10 (D) ON FORFEITURE OF THE RIGHT OF A FOREIGN BUSINESS TRUST TO DO
11 BUSINESS IN THIS STATE, THE FOREIGN BUSINESS TRUST IS SUBJECT TO THE SAME
12 RULES, LEGAL PROVISIONS, AND SANCTIONS AS IF IT HAD NEVER QUALIFIED OR
13 BEEN LICENSED TO DO BUSINESS IN THIS STATE.

14 **Article - Tax - Property**

15 11-101.

16 (a) On or before April 15 of each year, a person shall submit a report on
17 personal property to the Department if:

18 (1) the person is a business trust, domestic corporation, limited liability
19 company, limited liability partnership, or limited partnership;

20 (2) the person is a FOREIGN BUSINESS TRUST, foreign corporation,
21 foreign limited liability company, foreign limited liability partnership, or foreign
22 limited partnership registered or qualified to do business in the State; or

23 (3) the person owns or during the preceding calendar year owned
24 property that is subject to property tax.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
26 effect October 1, 2002.