

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE
 Revised

House Bill 1549
 Economic Matters

(Delegate Krysiak, *et al.*)

Judicial Proceedings

Corporations and Associations - Notice of Change of Resident Agent - Filing Fees

This bill alters the nonrefundable fee that the State Department of Assessments and Taxation (SDAT) must collect to process a notice of change of the name or address of a resident agent. The bill establishes a maximum fee of \$30,000 for a bulk filing of notices of changes of the names or addresses of resident agents.

Fiscal Summary

State Effect: General fund revenues could decrease by approximately \$520,000 in FY 2006. Future year revenues could decrease by an indeterminate amount. General fund expenditures would increase by \$17,800 for computer programming changes to accommodate a bulk filing in FY 2006.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenue	(\$520,000)	(-)	(-)	(-)	(-)
GF Expenditure	17,800	0	0	0	0
Net Effect	(\$537,800)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: SDAT must collect a \$25 nonrefundable processing fee for: (1) notice of change of address of principal office; (2) notice of change of name or address of resident agent; (3) certificate of correction; and (4) any other document.

State Revenues: SDAT advises that the bill currently applies to one entity – CT Corporation. This company is the resident agent for 22,000 entities in the State of Maryland. SDAT indicates that the company wants to move their company's office to another location in Baltimore City.

Under current law, the company would be required to pay SDAT \$550,000 to change the address on all its accounts as a result of the acquisition of another company, Business Filings, which represented 603 entities in Maryland. The bill establishes a maximum fee of \$30,000 for a bulk filing. As a result, general fund revenues would decline by \$520,000 in fiscal 2006. State revenues could decrease by an indeterminate amount in future years.

State Expenditures: State expenditures could increase by approximately \$17,800 in fiscal 2006 as a result of the shift to a maximum fee for a bulk filing. SDAT advises that there would be increased expenditures for computer programming (\$6,800), auditing (\$2,200), and research for mismatched or mislabeled entities (\$8,800).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2005
ncs/hlb Revised - House Third Reader - March 29, 2005
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