
By: **Delegates Bates, Jennings, Krebs, Mayer, McComas, Miller, and Sossi**
Sossi, Feldman, Haddaway, Impallaria, Jameson, Parrott, Trueschler,
Walkup, and Wood

Introduced and read first time: February 9, 2006
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 25, 2006

CHAPTER _____

1 AN ACT concerning

2 **Corporations and Associations - Filing Fees - Family Farms**

3 FOR the purpose of altering a certain fee collected by the State Department of
4 Assessments and Taxation for the filing of an annual report by a certain family
5 farm; requiring an individual to file a charter amendment for a certain family
6 farm under certain circumstances; defining a certain term; making technical
7 changes; and generally relating to filing fees imposed on corporations and other
8 entities.

9 BY repealing and reenacting, with amendments,
10 Article - Corporations and Associations
11 Section 1-203(a)
12 Annotated Code of Maryland
13 (1999 Replacement Volume and 2005 Supplement)
14 (As enacted by Chapter 609 of the Acts of the General Assembly of 2005)

15 BY repealing and reenacting, with amendments,
16 Article - Corporations and Associations
17 Section 1-203(b)(3)(ii)
18 Annotated Code of Maryland
19 (1999 Replacement Volume and 2005 Supplement)

20 BY adding to
21 Article - Corporations and Associations

1 Section 1-209
2 Annotated Code of Maryland
3 (1999 Replacement Volume and 2005 Supplement)

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

6 **Article - Corporations and Associations**

7 1-203.

8 (a) In addition to any organization and capitalization fee required under §
9 1-204 of this [article] SUBTITLE, subject to subsection (c) of this section, the
10 Department shall collect the fees specified in subsection (b) of this section.

11 (b) (3) (ii) For each of the following documents which are filed but not
12 recorded, the filing fee is as indicated:

13 Annual report of a Maryland corporation, except a charitable or benevolent
14 institution, nonstock corporation, savings and loan corporation, credit
15 union, FAMILY FARM, and banking institution \$300

16 Annual report of a foreign corporation subject to the jurisdiction of this
17 State, except a national banking association, savings and loan
18 association, credit union, nonstock corporation, and charitable and
19 benevolent institution \$300

20 Annual report of a Maryland savings and loan association, banking
21 institution, or credit union or of a foreign savings and loan association,
22 national banking association, or credit union that is subject to the
23 jurisdiction of this State \$300

24 Annual report of a Maryland limited liability company, limited liability
25 partnership, limited partnership, or of a foreign limited liability company,
26 foreign limited liability partnership, or foreign limited partnership,
27 EXCEPT A FAMILY FARM \$300

28 Annual report of a business trust \$300

29 Annual report of a real estate investment trust doing business in this State \$300

30 ANNUAL REPORT OF A FAMILY FARM \$100

31 1-209.

32 (A) IN THIS SECTION, "FAMILY FARM" MEANS AN ENTITY THAT:

33 (1) IS A DOMESTIC ENTITY;

1 (2) (I) 1. OWNS, OR WITHIN 1 YEAR AFTER FILING ARTICLES OF
2 INCORPORATION, ARTICLES OF ORGANIZATION, OR A CERTIFICATE OF
3 PARTNERSHIP, WILL OWN OR TAKE CONTROL OF PROPERTY THAT QUALIFIES FOR
4 AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THE TAX - PROPERTY ARTICLE;
5 AND

6 2. OWNS ONLY AGRICULTURALLY OR RESIDENTIALLY
7 ASSESSED REAL PROPERTY AND PERSONAL PROPERTY THAT IS USED FOR
8 AGRICULTURAL PURPOSES; OR

9 (II) OWNS ONLY PERSONAL PROPERTY THAT IS USED FOR
10 AGRICULTURAL OR AGRICULTURAL MARKETING PURPOSES;

11 (3) IS CONTROLLED, MANAGED, AND OPERATED BY:

12 (I) ONE INDIVIDUAL WHO HAS AN EQUITY INTEREST IN THE
13 ENTITY; OR

14 (II) TWO OR MORE INDIVIDUALS WHO HAVE AN EQUITY INTEREST
15 IN THE ENTITY AND WHO SHARE ITS ASSETS AND EARNINGS;

16 (4) IS DECLARED IN A CHARTER PROVISION TO BE A FAMILY FARM; AND

17 (5) HAS NO ASSETS OTHER THAN THOSE DESCRIBED IN ITEM (2) OF THIS
18 SUBSECTION.

19 (B) WITHIN 1 YEAR AFTER SELLING ALL OF THE PROPERTY DESCRIBED IN
20 SUBSECTION (A)(2) OF THIS SECTION, AN INDIVIDUAL SHALL FILE A CHARTER
21 AMENDMENT STATING THAT THE ENTITY IS NO LONGER A FAMILY FARM.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2006.