

HOUSE BILL 1165

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By: **Delegate Feldman**

Introduced and read first time: February 19, 2007

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 5, 2007

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2007

CHAPTER _____

1 AN ACT concerning

2 **Corporations and Associations – Charter Documents – Execution**
3 **Requirements for Business Trusts**

4 FOR the purpose of altering certain requirements for the execution of certain charter
5 documents by business trusts; extending to business trusts the requirements
6 applicable to corporations and real estate ~~business~~ investment trusts for
7 signing, acknowledging, witnessing, attesting, and verifying certain charter
8 documents; and generally relating to requirements for the execution of charter
9 documents by business trusts.

10 BY repealing and reenacting, with amendments,
11 Article – Corporations and Associations
12 Section 1–301
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2006 Supplement)

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

17 **Article – Corporations and Associations**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 1-301.

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

6 (1) They shall be signed and acknowledged for each corporation,
7 **BUSINESS TRUST**, or real estate investment trust party to the articles, by its
8 chairman or vice chairman of the board of directors or board of trustees, its chief
9 executive officer, chief operating officer, president or one of its vice presidents;

10 (2) They shall be witnessed or attested by the secretary or an assistant
11 secretary of each corporation, **BUSINESS TRUST**, or real estate investment trust party
12 to the articles, or, if authorized by the bylaws or resolution of the board of directors or
13 board of trustees and the articles so state, by any other officer or agent of the
14 corporation, **BUSINESS TRUST**, or real estate investment trust;

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

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

21 (i) With respect to any Maryland corporation, **BUSINESS**
22 **TRUST**, or real estate investment trust party to the articles, by the chairman or the
23 secretary of the meeting at which the articles or transaction were approved, or by the
24 chairman or vice chairman of the board of directors or board of trustees, chief
25 executive officer, chief operating officer, president, vice president, secretary, or
26 assistant secretary of the corporation, **BUSINESS TRUST**, or real estate investment
27 trust;

28 (ii) With respect to any foreign corporation party to articles of
29 consolidation, merger, or share exchange, by the chief executive officer, chief operating
30 officer, president, vice president, secretary, or assistant secretary of the corporation;
31 and

32 (iii) With respect to any other Maryland or foreign entity party
33 to the articles, by the chief executive officer, chief operating officer, president, vice

1 president, secretary, assistant secretary, managing trustee, or persons acting in a
2 similar position for the entity.

3 (b) When articles of transfer are executed:

4 (1) With respect to the transferor corporation, the requirements of
5 subsection (a)(4)(i) apply;

6 (2) With respect to a transferee corporation, the matters and facts set
7 forth in the articles with respect to authorization and approval shall be verified under
8 oath by the chief executive officer, chief operating officer, president, vice president,
9 secretary, or assistant secretary of the corporation; and

10 (3) With respect to a transferee which is not a corporation, the articles
11 shall be signed and acknowledged by the transferee.

12 (c) All other instruments required to be filed with the Department may be
13 signed:

14 (1) By the chairman or vice chairman of the board of directors, the
15 chief executive officer, chief operating officer, president, or any vice president and
16 witnessed or attested by the secretary or any assistant secretary, or by any other
17 officer or agent of the corporation who is authorized by the bylaws or resolution of the
18 board of directors to perform the duties usually performed by the secretary and the
19 instrument so states;

20 (2) If it appears from the instrument that there are no such officers, by
21 a majority of the directors or by such directors as may be designated by the board and
22 the instrument so states; or

23 (3) If it appears from the instrument that there are no officers or
24 directors, by the holders of a majority of outstanding stock.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2007.