

# HOUSE BILL 1293

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By: **Delegates Jennings, Aumann, Bates, Boteler, Frank, Haddaway, Krebs, McComas, Miller, Schuler, Sossi, and Stein**

Introduced and read first time: February 8, 2008

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the documents that may be filed with the State  
4 Department of Assessments and Taxation to qualify as a family farm; requiring  
5 the Department to send a certain notice within a certain time after the filing of  
6 a certain personal property tax return; requiring the Department, on request,  
7 to refund a certain amount under certain circumstances; and generally relating  
8 to certain filing fees for family farms.

9 BY repealing and reenacting, without amendments,  
10 Article – Corporations and Associations  
11 Section 1–203(b)(3)(ii)  
12 Annotated Code of Maryland  
13 (2007 Replacement Volume)

14 BY repealing and reenacting, with amendments,  
15 Article – Corporations and Associations  
16 Section 1–209  
17 Annotated Code of Maryland  
18 (2007 Replacement Volume)

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

21 **Article – Corporations and Associations**

22 1–203.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1	Annual report of a Maryland corporation, except a charitable or	
2	benevolent institution, nonstock corporation, savings and loan	
3	corporation, credit union, family farm, and banking institution .....	\$300
4	Annual report of a foreign corporation subject to the jurisdiction of this	
5	State, except a national banking association, savings and loan	
6	association, credit union, nonstock corporation, and charitable and	
7	benevolent institution .....	\$300
8	Annual report of a Maryland savings and loan association, banking	
9	institution, or credit union or of a foreign savings and loan	
10	association, national banking association, or credit union that is	
11	subject to the jurisdiction of this State.....	\$300
12	Annual report of a Maryland limited liability company, limited liability	
13	partnership, limited partnership, or of a foreign limited liability	
14	company, foreign limited liability partnership, or foreign limited	
15	partnership, except a family farm .....	\$300
16	Annual report of a business trust.....	\$300
17	Annual report of a real estate investment trust doing business in this	
18	State.....	\$300
19	Annual report of a family farm .....	\$100

20 1–209.

21 (a) In this section, “family farm” means an entity that:

22 (1) Is a domestic entity;

23 (2) (i) 1. Owns, or within 1 year after filing articles of  
 24 incorporation, articles of organization, **ARTICLES OF AMENDMENT**, or a certificate of  
 25 partnership, will own or take control of property that qualifies for agricultural use  
 26 assessment under § 8–209 of the Tax – Property Article; and

27 2. Owns only agriculturally or residentially assessed  
 28 real property and personal property that is used for agricultural purposes; or

29 (ii) Owns only personal property that is used for agricultural or  
 30 agricultural marketing purposes;

31 (3) Is controlled, managed, and operated by:

32 (i) One individual who has an equity interest in the entity; or

33 (ii) Two or more individuals who have an equity interest in the  
 34 entity and who share its assets and earnings;

35 (4) Is declared in a charter provision to be a family farm; and

1                   (5)    Has no assets other than those described in item (2) of this  
2 subsection.

3           (b)    Within 1 year after selling all of the property described in subsection  
4 (a)(2) of this section, an individual shall file a charter amendment stating that the  
5 entity is no longer a family farm.

6           (c)    **(1)    WITHIN 30 DAYS AFTER THE FILING OF A PERSONAL**  
7 **PROPERTY TAX RETURN THAT REPORTS TANGIBLE PERSONAL PROPERTY USED**  
8 **FOR AGRICULTURAL PURPOSES, THE DEPARTMENT SHALL NOTIFY THE PERSON**  
9 **THAT FILED THE RETURN THAT FAMILY FARMS QUALIFY FOR A REDUCED**  
10 **FILING FEE FOR FILING AN ANNUAL REPORT UNDER § 1-203(B)(3)(II) OF THIS**  
11 **SUBTITLE.**

12                   **(2)    THE NOTICE SHALL INCLUDE INSTRUCTIONS AND FORMS FOR**  
13 **AMENDING A FAMILY FARM'S ENTITY FORMATION DOCUMENTS TO QUALIFY AS A**  
14 **FAMILY FARM UNDER THIS SECTION.**

15                   **(3)    IF THE DEPARTMENT FAILS TO SEND THE NOTICE REQUIRED**  
16 **UNDER THIS SECTION, AND AN ENTITY THAT WOULD BE ELIGIBLE FOR FAMILY**  
17 **FARM STATUS PAYS THE FULL \$300 FILING FEE TO FILE AN ANNUAL REPORT,**  
18 **THE DEPARTMENT SHALL, ON REQUEST, REFUND THE DIFFERENCE BETWEEN**  
19 **THE FULL FILING FEE AND THE REDUCED FILING FEE, WITH 6% INTEREST**  
20 **ACCRUING FROM THE DATE OF PAYMENT OF THE FILING FEE.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2008.