

HOUSE BILL 1241

C1

8lr2828
CF SB 971

By: **Delegate Lisanti**

Introduced and read first time: February 8, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Corporations and Associations – Recordation and Filing – Proof of Occupational**
3 **or Professional License or Admission to Bar**

4 FOR the purpose of prohibiting the State Department of Assessments and Taxation from
5 accepting for recordation or filing certain documents unless the entity requesting the
6 recordation or filing has provided the Department certain proof that the owner of the
7 entity, or a member, a partner, a shareholder, or an authorized agent of the entity,
8 holds a certain occupational or professional license or is admitted to the Bar of the
9 Court of Appeals of Maryland; providing for the application of this Act; and generally
10 relating to the recordation and filing of documents and business entities.

11 BY repealing and reenacting, with amendments,
12 Article – Corporations and Associations
13 Section 1–201
14 Annotated Code of Maryland
15 (2014 Replacement Volume and 2017 Supplement)

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

18 **Article – Corporations and Associations**

19 1–201.

20 (a) The Department may not accept for record any charter document of a
21 Maryland corporation which does not conform with law. However, any document which
22 purports to be acknowledged may be treated by the Department as properly acknowledged.

23 (b) The Department may not accept for record or filing any charter document,
24 qualification, registration, change of resident agent or principal office, report, service of
25 process or notice, or other document until all required recording, filing, organization and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 capitalization, and other special fees have been paid to the Department.

2 **(C) (1) THIS SUBSECTION APPLIES ONLY TO A FOR-PROFIT COMMERCIAL**
3 **OR PROFESSIONAL ENTITY PROVIDING A SERVICE THAT REQUIRES:**

4 **(I) AN OCCUPATIONAL OR PROFESSIONAL LICENSE FROM THE**
5 **DEPARTMENT OF LABOR, LICENSING, AND REGULATION; OR**

6 **(II) ADMISSION TO THE BAR OF THE COURT OF APPEALS OF**
7 **MARYLAND.**

8 **(2) THE DEPARTMENT MAY NOT ACCEPT FOR RECORD OR FILING ANY**
9 **ARTICLES OF INCORPORATION, ARTICLES OF ORGANIZATION, CHARTER DOCUMENT,**
10 **STATEMENT OF PARTNERSHIP AUTHORITY, QUALIFICATION, REGISTRATION,**
11 **CHANGE OF RESIDENT AGENT OR PRINCIPAL OFFICE, REPORT, SERVICE OF**
12 **PROCESS OR NOTICE, OR OTHER DOCUMENT UNLESS THE ENTITY REQUESTING THE**
13 **RECORDATION OR FILING HAS PROVIDED THE DEPARTMENT PROOF, IN**
14 **ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION, THAT THE OWNER OF THE**
15 **ENTITY, OR A MEMBER, A PARTNER, A SHAREHOLDER, OR AN AUTHORIZED AGENT**
16 **OF THE ENTITY:**

17 **(I) HOLDS THE OCCUPATIONAL OR PROFESSIONAL LICENSE**
18 **REQUIRED BY THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO**
19 **PROVIDE THE COMMERCIAL OR PROFESSIONAL SERVICE OF THE ENTITY; OR**

20 **(II) IS ADMITTED TO THE BAR OF THE COURT OF APPEALS OF**
21 **MARYLAND TO PROVIDE THE COMMERCIAL OR PROFESSIONAL SERVICE OF THE**
22 **ENTITY.**

23 **(3) THE PROOF REQUIRED UNDER PARAGRAPH (2) OF THIS**
24 **SUBSECTION SHALL INCLUDE A NOTARIZED COPY OF THE REQUIRED:**

25 **(I) OCCUPATIONAL OR PROFESSIONAL LICENSE ISSUED BY**
26 **THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION; OR**

27 **(II) ORDER OF ADMISSION TO THE BAR OF THE COURT OF**
28 **APPEALS OF MARYLAND OF THE OWNER OF THE ENTITY OR THE MEMBER, PARTNER,**
29 **SHAREHOLDER, OR AUTHORIZED AGENT OF THE ENTITY.**

30 **[(c)] (D) (1) The Department may accept documents that are filed for record**
31 **by electronic transmission.**

32 **(2) Documents filed for record by electronic transmission are subject to the**
33 **regular filing fees and expedited processing fees provided in § 1-203 of this subtitle.**

1 ~~[(d)]~~ **(E)** (1) On payment of the regular processing fee and, if applicable,
2 expedited processing fee provided in § 1–203 of this subtitle, the Department may accept
3 for preclearance any document or draft of any document listed in § 1–203(b)(1) or (4) of this
4 subtitle.

5 (2) The Department may adopt regulations to administer the preclearance
6 process.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2018.