

HOUSE BILL 204

C1, P2

01r0653
CF SB 359

By: **Delegates Qi, Adams, Arentz, Bhandari, Brooks, Carr, Charles, Crosby, Crutchfield, Fennell, Guyton, Krimm, R. Lewis, Queen, Rogers, Shetty, Valderrama, C. Watson, Wilkins, ~~and P. Young~~ P. Young, and Howard**

Introduced and read first time: January 16, 2020

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2020

CHAPTER _____

1 AN ACT concerning

2 **Corporations and Associations – ~~Disadvantaged Business Enterprises and~~**
3 **~~Veteran-Owned Small Business Enterprises – Filing Fee Exemption and Study~~**

4 FOR the purpose of requiring the State Department of Assessments and Taxation ~~to waive~~
5 ~~certain document filing fees for certain entities certified under the federal~~
6 ~~Disadvantaged Business Enterprise Program and certain veteran-owned small~~
7 ~~business enterprises; requiring the Department to study and make~~
8 ~~recommendations regarding certain filing fees on or before a certain date; and~~
9 ~~generally relating to filing fees for disadvantaged business enterprises and~~
10 ~~veteran-owned small business enterprises.~~

11 ~~BY repealing and reenacting, without amendments,~~
12 ~~Article – Corporations and Associations~~
13 ~~Section 1 – 203(b)(3)(ii)~~
14 ~~Annotated Code of Maryland~~
15 ~~(2014 Replacement Volume and 2019 Supplement)~~

16 ~~BY repealing and reenacting, with amendments,~~
17 ~~Article – Corporations and Associations~~
18 ~~Section 1 – 203(b)(13)~~
19 ~~Annotated Code of Maryland~~
20 ~~(2014 Replacement Volume and 2019 Supplement)~~

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.



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

~~Article — Corporations and Associations~~

~~1-203.~~

~~(b) (3) (ii) Except as provided in paragraph (13) of this subsection, for each of the following documents which are filed but not recorded, the filing fee is as indicated:~~

~~Annual report of a Maryland corporation, except a charitable or benevolent institution, nonstock corporation, savings and loan corporation, credit union, family farm, and banking institution \$300~~

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

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

~~Annual report of a Maryland limited liability company, limited liability partnership, limited partnership, or of a foreign limited liability company, foreign limited liability partnership, or foreign limited partnership, except a family farm \$300~~

~~Annual report of a business trust \$300~~

~~Annual report of a real estate investment trust or foreign statutory trust doing business in this State \$300~~

~~Annual report of a family farm \$100~~

~~(13) [Beginning in fiscal year 2022, the] THE Department shall waive the filing fee for a business entity described under paragraph (3)(ii) of this subsection:~~

~~(i) BEGINNING IN FISCAL YEAR 2022, for each year that the entity provides evidence to the Department that:~~

~~(i) 1. The entity is required to comply with and is in compliance with Title 12 of the Labor and Employment Article; or~~

~~(ii) 2. The entity otherwise provides an employer offered savings arrangement, as defined in § 12-101(c) of the Labor and Employment Article, that is in compliance with federal law; AND~~

~~(H) FOR THE FIRST 3 YEARS THAT THE ENTITY IS:~~

~~1. CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE PROGRAM; OR~~

~~2. A VETERAN OWNED SMALL BUSINESS ENTERPRISE, AS DEFINED IN § 14-601 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

~~SECTION 2. AND BE IT FURTHER ENACTED,~~ That, on or before January 1, 2021, the State Department of Assessments and Taxation shall:

(1) review the filing fees and associated requirements of neighboring states that are equivalent or substantially similar to the filing fees required under § 1-203(b)(3)(ii) of the Corporations and Associations Article; and

(2) report to the General Assembly, in accordance with § 2-1257 of the State Government Article, recommendations to make Maryland more competitive with neighboring states, including whether to establish less frequent filing requirements, decrease fees, or establish a sliding fee scale.

~~SECTION 2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.