

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 723

(Chair, Budget and Taxation Committee)(By Request -
 Departmental - Assessments and Taxation)

Budget and Taxation

Economic Matters

Corporations and Associations - Electronic Copies Fee - Repeal

This departmental bill repeals a \$1 per-page fee for electronic copies of any paper that is recorded or filed with the State Department of Assessments and Taxation (SDAT).

Fiscal Summary

State Effect: General fund revenues decrease by approximately \$57,500 in FY 2024 and by \$76,700 on an annualized basis beginning in FY 2025. Expenditures are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
GF Revenue	(\$57,500)	(\$76,700)	(\$76,700)	(\$76,700)	(\$76,700)
Expenditure	0	0	0	0	0
Net Effect	(\$57,500)	(\$76,700)	(\$76,700)	(\$76,700)	(\$76,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: The Department of Assessments and Taxation has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: SDAT is required to charge a \$1 fee for a duplicate of the following certificates filed with the department (when the duplicate is issued at the same time as the original):

- a certificate of status of a corporation, partnership, limited partnership, limited liability partnership, or limited liability company of this State or of a foreign

corporation, foreign partnership, foreign limited partnership, foreign limited liability partnership, or foreign limited liability company;

- a certified list of the charter papers of a corporation of this State or any certificates of a limited partnership, limited liability partnership, or a limited liability company of this State recorded or filed with the department;
- a certificate of compliance by a foreign corporation, foreign limited partnership, foreign limited liability partnership, or foreign limited liability company with requirements of law in respect of qualification or registration;
- a certificate of withdrawal of registration or qualification; and
- a certificate of any paper recorded or filed in the department's office.

In addition, SDAT must charge a \$1 per-page fee for a copy of any other paper recorded or filed with the department.

Background: SDAT advises that the \$1 per-page fee for copies of paperwork recorded and filed with the department was created before there was an option to download documents from the department's webpage. The fee was established to assist in offsetting the cost of paper, ink, and staff time required to make physical copies of departmental records. Now each time an electronic document is requested, SDAT is able to automatically deliver the document to the customer at no cost to the department.

State Fiscal Effect: General fund revenues decrease by approximately \$57,500 in fiscal 2024 and by \$76,700 on an annualized basis beginning in fiscal 2025. The estimate is based on the following:

- SDAT collects approximately \$1,100 per week in \$1 per-page fees from new filings submitted through Maryland Business Express; and
- SDAT collects approximately \$750 per week in \$1 per-page fees from online copy requests. This estimate is projected to be reduced by half when a scanning project is completed which will make more documents available through Maryland Business Express.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2023
km/hlb Third Reader - March 18, 2023

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Corporations and Associations – Electronic Copies Fee – Repeal

BILL NUMBER: SB 723

PREPARED BY: Department of Assessments and Taxation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS