

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1416
Economic Matters

(Delegate Amprey)

**State Department of Assessments and Taxation - Expedited Document Processing
and Fees**

This bill establishes expedited timeframes and corresponding fees to process specified documents filed with the State Department of Assessments and Taxation (SDAT).

Fiscal Summary

State Effect: Potential minimal increase in special fund revenues. Special fund expenditures are not anticipated to be materially affected under the assumption discussed below.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: Statute requires SDAT to adopt regulations governing the manner of filing and processing of certain documents (*e.g.*, articles of incorporation, articles of organization of a limited liability company, etc.) on an expedited basis, including reasonable limitations on filing documents of unusual volume or length. SDAT is authorized to (1) adopt regulations establishing expedited processing tiers or additional methods of expedited document processing and (2) charge reasonable fees for the services.

In general, under current law, if a fee for expedited processing is paid, SDAT must process documents filed with SDAT at least two hours before SDAT's close of business within two hours after the documents are received, and to the extent practicable, process all other

documents on the same day that the documents are received. Regulations set forth additional guidance related to expedited processing. Under current law, the fee for expedited filings is \$425 for documents filed in hard copy (online filing is \$325).

The bill establishes two additional options for expedited filings:

- SDAT must process documents filed at least one hour before close of business within one hour after the documents are received – payment of a \$1,000 fee; and
- SDAT must process documents filed at least 30 minutes before close of business within 30 minutes after the documents are received – payment of a \$1,500 fee.

State Expenditures: SDAT generally indicates that large firms account for a significant portion of the two-hour expedited processing option that is currently available, and potentially may seek the shorter timeframes for expedited processing set forth in the bill. SDAT therefore anticipates the need to hire four charter specialists, at a cost of \$327,069 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date, and at least \$387,700 annually thereafter. Without experience under the bill, however, the Department of Legislative Services (DLS) is unable to verify that additional staff are required. DLS acknowledges that accommodating a consistent volume of filings in the condensed timeframes under the bill would require additional staff. Because, however, the new fees for expedited processing are significantly higher than the current fees for two-hour expedited processing, it is assumed that the timeframes under the bill are applicable in a limited number of circumstances, not routinely requested, and therefore potentially able to be accommodated using existing budgeted resources. Should SDAT experience a consistent volume of expedited filings under the bill’s timeframes, however, additional staff are required and can be requested through the annual budget process. *For illustrative purposes only*, for each additional charter specialist that is required, State expenditures increase by approximately \$102,400 annually.

Additional Information

Recent 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 2, 2025
km/jkb

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