

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 278 (Senators West and Waldstreicher)
Budget and Taxation

**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: Special fund expenditures for SDAT increase by \$85,600 in FY 2027 for staff; future years reflect annualization and inflation. Special fund revenues from fees likely increase beginning in FY 2027, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	-	-	-	-	-
SF Expenditure	\$85,600	\$100,500	\$105,200	\$110,000	\$114,800
Net Effect	(\$85,600)	(\$100,500)	(\$105,200)	(\$110,000)	(\$114,800)

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

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 (1) process documents filed with the department at least two hours before its close of business within two hours after receipt and (2) 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 Revenues: Special fund revenues likely increase beginning in fiscal 2027 due to filers utilizing the two additional options for expedited filings under the bill's compressed timeframes. SDAT advises that large law firms are most likely to request these expedited filings, as they often have complex, time-sensitive corporate transactions (some of which are dependent on when the stock market opens). The number of expedited filings (and amount of associated fees) that are likely to occur cannot be reliably estimated without experience under the bill. *For illustrative purposes only*, for every 100 online filings requested to be processed within the 30-minute timeframe under the bill, instead of the expedited timeframe under current practice, special fund revenues increase by \$117,500.

State Expenditures: Special fund expenditures for SDAT increase by \$85,616 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring one full-time charter specialist to assist with expedited filings under the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$76,475
Operating Expenses	<u>9,141</u>
Total FY 2027 State Expenditures	\$85,616

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

SDAT generally indicates that large firms account for a significant portion of the two-hour expedited processing option that is currently available; these firms 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 at least \$400,000 on an annual basis. While

acknowledging that accommodating a consistent volume of filings in the condensed timeframes under the bill is not feasible with existing resources, the Department of Legislative Services is unable to verify that staffing of the magnitude indicated by SDAT is required without experience under the bill. Because 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 and not routinely requested by all filers. Nevertheless, as reflected above, this estimate assumes that the additional workload generated by the timeframes under the bill necessitates the hiring of at least one additional staff. To the extent a greater number of charter specialists is required, SDAT can request additional resources through the annual budget process.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1416 of 2025.

Designated Cross File: None.

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

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jg/jkb

Analysis by: Joanne E. Tetlow

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