



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael Higgs, Director

DATE: March 11, 2021

BILL NUMBER: HB1303

COMMITTEE: Ways and Means

BILL TITLE: Small, Minority, and Women-Owned Business Financial Assistance -
Use of Funds

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) offers the following information for HB1303, a bill that would allow business entities to obtain financial assistance even if the entities are “Not in Good Standing” with SDAT.

HB1303 creates an unequal environment for businesses. This bill would significantly undermine the department’s mission of providing equitable filing services. Maryland financial institutions typically do not give loans or grants to entities that are not in good standing and/or in forfeited status.

The most common reasons that businesses are not in good standing are:

- An issue with the Maryland Office of the Comptroller
- An issue with the Maryland Department of Labor
- A check or other form of payment that was dishonored
- A missing Annual Report
- A monetary penalty resulting from the late filing of an Annual Report
- A missing Personal Property Tax Return
- A monetary penalty resulting from the late filing of a Personal Property Tax Return
- Not having an active resident agent

The Department understands that the sponsor will be introducing amendments, including clarifying that this bill excludes entities that the department has placed into forfeited status.

SDAT would like the committee to consider the information presented as it deliberates HB1303.

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