

JARED SOLOMON
Legislative District 18
Montgomery County

Appropriations Committee
Subcommittees

Education and Economic Development
Oversight Committee on Personnel



The Maryland House of Delegates
6 Bladen Street, Room 222
Annapolis, Maryland 21401
301-858-3130 · 410-841-3130
800-492-7122 Ext. 3130
Fax 301-858-3233 · 410-841-3233
Jared.Solomon@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Sponsor Testimony on HB 390 – February 9, 2022

House Economic Matters Committee

Chair Wilson, Vice Chair Crosby, and Colleagues,

Thank you for the opportunity to present today on my legislation HB 390, Corporations & Associations – Use of Improper or Outdated Addresses in Documents.

One of the roles played by the Maryland State Department of Assessments and Taxation (SDAT) is to serve as the state's virtual filing cabinet for Maryland's business records. In that role, if SDAT is alerted that a document is filed fraudulently, SDAT has an established process to remove those filings.

However, SDAT does not have a process to remove incorrect, improper, or outdated business addresses from its records. As it currently stands, only an “Authorized Person” from a business can file a *Resolution to Change Principal Office or Resident Agent Form* with SDAT to change the information. Unfortunately, that means if a business moves, closes, or disappears, and someone else moves into that location, there is nothing the new property owner can do to get SDAT to update its records.

One of my constituents, Sasha Gottlieb, had the misfortune of moving into a house where the address was also listed as the official address of a defunct business. Ms. Gottlieb will give you the full story, but because of the outdated and incorrect listing, she was visited by the police and regularly had angry clients of the defunct business calling her repeatedly in search of the former business owner. Because Ms. Gottlieb and her family had no way to update the incorrect business address, they were forced to deal with an unfortunate, and sometimes dangerous, situation.

What Does the Bill Do?

After being contacted by Ms. Gottlieb, my office worked closely with SDAT to fix this issue and to write legislation to provide the agency the authority to create a process to give residents a fair and practical system to expunge outdated business addresses. Our bill is a result of that work and lays out the following procedure to strike an improper address:

1. An owner of a residence that is improperly listed as another's business address notifies SDAT by way of a sworn affidavit declaring the address to be incorrect.

2. After the initial notification, SDAT would then send a certified letter to the business owner to any address on file, giving them 45 days to respond that the address in question is correct.
3. If the owner or business agent does not respond, SDAT would be able to void an address and place an entity in not-in-good standing status if the business fails to update and correct its address or if the business is found to have listed the address improperly.
4. If the owner or agent responds appropriately within 45 days, SDAT will take no further action and the inquiry will be closed unless otherwise ordered by a Maryland Circuit Court.

Unfortunately, because of current law, the addresses listed on SDAT's webpage serve as the official address for Maryland businesses. They are publicly accessible for process servers, debt collectors, and any other entity that may be looking for a business owner. This legislation creates a fair process to resolve these issues and adds critical protections and relief for any Maryland resident, like Ms. Gottlieb, who has been subject to harassment because a defunct business is listed at their address.

Since last fall, I have worked closely with SDAT in crafting this common sense legislation, and they are here today to answer any technical questions.

I urge the Committee to provide a favorable report on HB 390.