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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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SB 125
Revival of Nostock and Religious Corporations

Chairman Smith, Vice Chair Waldstreicher and Members of the Judicial Proceedings Committee:

Senate Bill 125 applies to Nonstock and Religious Corporations regarding the “revival” of this type of corporation. The State Department of Assessments and Taxation requires that an Annual Personal Property report be filed annually. If the report is not filed an organization is no longer in “good standing,” they have forfeited their charter. This annual report can create a good deal of problems for a non-profit that is managed by volunteers that frequently change.

This past year, I received a call from a new treasurer to the Old Mill Patriots Booster organization. Somehow the filing of the annual form was missed two years ago and the organization had forfeited their charter with the State. The treasurer was told by SDAT that she needed to complete every annual report back to the beginning of the organization. That was over 20 years ago. The Patriots had been in “good standing” until 2020. In my conversations with SDAT, I learned that this requirement was due to a legal interpretation from the Attorney General’s office.

The purpose of SB 125 is to clarify that the nonstock or religious Corporation is only required to file the Annual reports back to the year that the charter was forfeited, or seven years back, whichever is less to be considered in “good standing”.

Thank you for the opportunity to present SB 125. I respectfully ask for a favorable report.