



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SUPPORT TESTIMONY

HB 0999 Corporations - Filing Requirements for Dissolution and Termination of Registration or Qualification - Repeal

The William C. Smith Jr., Chair
Judicial Proceedings Committee
2 East Miler Senate Office Building
Annapolis, MD 21401

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

House Bill 0999 addresses a significant issue faced by corporations registered in Maryland. The current requirement that active corporations must file all reports required by Title 11 of the Tax-Property Article before the Maryland State Department of Assessments and Taxation (SDAT) can accept articles of dissolution or issue a certificate of termination to a foreign corporation places an unnecessary burden on these businesses. This requirement penalizes corporations that have not filed their reports, even if they have other legitimate reasons for wanting to dissolve or terminate their registration.

This burden is particularly felt by small businesses that may be struggling financially or have other valid reasons for wanting to dissolve or terminate their registration with the Maryland State Department of Assessments and Taxation (SDAT). Small businesses often operate with limited resources and requiring them to pay exorbitant fees to file past-due annual reports adds to their financial woes. House Bill 0999 addresses this issue by creating parity between all business types in Maryland statute, eliminating hardship on small businesses wishing to wrap up their affairs by properly dissolving or terminating their registration with the Maryland State Department of Assessments and Taxation (SDAT).

By eliminating this requirement, House Bill 0999 will also create a more business-friendly environment in Maryland, making it a more attractive destination for corporations looking to do business in the state. This will help boost the state's economy and create more job opportunities for its residents. Additionally, eliminating this requirement will remove a barrier hindering corporations from conducting their affairs in Maryland, facilitating a smoother process for corporations to dissolve or terminate their registration with the Maryland State Department of Assessments and Taxation (SDAT).

In conclusion, House Bill 0999 is a much-needed piece of legislation that seeks to alleviate the undue burden placed on active corporations and small businesses in Maryland. It will create a level playing field for all businesses, promote a business-friendly environment, and facilitate a smoother process for corporations to dissolve or terminate their registration.

I urge your support for House Bill 0999 and respectfully request a favorable report.

Thank you,

A handwritten signature in blue ink that reads "Kris Fair". The signature is written in a cursive style with a large initial 'K' and 'F'.

Delegate Kris Fair