



MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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To: Economic Matters

From: The Maryland Society of Accounting and Tax Professionals

Re: HB 271

Contact Person: Giavante' Hawkins

Position: OPPOSE

Limited Liability Companies - Articles of Organization - Required Information

I write today on behalf of the Maryland Society of Accounting and Tax Professionals (MSATP), representing over 2,000 accounting and tax professionals serving hundreds of thousands of Maryland taxpayers. While understanding the value transparency provides, our organization maintains reservations regarding House Bill 271 mandating disclosure of authorized legal representatives within limited liability companies (LLCs). We ask the Committee to weigh carefully potential unintended drawbacks against asserted benefits before advancing this legislation.

While proponents rightly argue that anonymity around LLC decision-makers sometimes cultivates irresponsibility, mandatory public listings also introduce privacy and security drawbacks. Many small businesses rightly value discretion regarding organizational structures or personnel, especially during the initial formation stages when vulnerability to competitors is heightened. Women, minority, and immigrant-owned startups could face particular jeopardy from compulsory disclosures amongst documents accessible to anyone online.

Additionally, over 100,000 LLCs currently operating in Maryland are obligated to provide contact information if the bill becomes law. Ensuring across-the-board compliance risks overburdening the Department of Assessments and Taxation lacking resources to routinely investigate or widely enforce these rules. Without funding for more personnel, fraud may persist.

We believe ongoing policy dialog regarding balancing LLC transparency versus operational flexibility and privacy deserves thoughtful input accounting for unintended consequences. For now, the MSATP hesitatingly urges an unfavorable report on House Bill 271 awaiting further study and debate.

Thank you for your consideration.

Giavante Hawkins



