



---

## HB 271

### Limited Liability Companies - Articles of Organization - Required Information

Hearing before the House Economic Matters Committee

Feb. 6, 2024

**POSITION: Favorable**

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including to address nuisance properties issues and to prevent and remediate property vacancy and abandonment.

**CLC supports HB 271 to increase the transparency of limited liability companies (LLCs) operating in Maryland.** The bill would require LLCs to disclose the name and home address of each member authorized to act on behalf of the LLC. CLC supports this change to make it easier to know who to contact, particularly if the LLC owns property in Maryland. CLC's neighborhood organization clients frequently come to us for help figuring out who to contact when an LLC owns a neighborhood business or property, after having difficulty reaching out through the resident agent. The neighborhood may wish to speak with the owner about community issues, or to offer to purchase the property, or about a problem with the property. Giving more contact information for decisionmakers at an LLC would only benefit Maryland communities and businesses who live and work in relationship with LLCs.

HB 271 would put Maryland in line with the vast majority of jurisdictions nationwide. In a survey CLC conducted in 2014, we learned that 82% of U.S. states, as well as Washington, D.C. and Puerto Rico, require disclosure of all LLC members. In Washington, D.C., entities like LLCs are required to report biennially on those members with a more than 10% ownership stake in the entity, or who are actively involved in management of the entity.

CLC supports HB 271, but would also recommend expanding the disclosure required to include managers of LLCs as well as members. The managers of an LLC, if different from the members, would be helpful contacts to address issues with properties owned by LLCs.

CLC supports HB 271. Thank you for the opportunity to testify.

For the above reasons,

**CLC urges a FAVORABLE VOTE ON HB 271.**

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.  
ShanaR@communitylaw.org | 410-366-0922 x 118