

SB 278.pdf

Uploaded by: Christopher West

Position: FAV

CHRIS WEST
Legislative District 42
Baltimore and Carroll Counties

Judicial Proceedings Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 30, 2026
The Maryland State Senate Budget and Taxation Committee
The Honorable Guy Guzzone
2 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 278 – State Department of Assessments and Taxation – Expedited Document Processing and Fees

Chair Guzzone, Vice-Chair Rosapepe, and Members of the Budget and Taxation Committee,

Senate Bill 278 will improve Maryland’s business climate by introducing expedited processing services for critical business filings at the State Department of Assessments and Taxation.

Currently, businesses frequently experience delays in completing essential filings such as articles of incorporation, amendments, and mergers. In situations of the utmost importance to businesses, these filings simply MUST be completed before the end of a particular business day. This is especially the case in situations involving multi-state transactions in which the timing of the various filings is vital for the transaction in question to be effective. So, the failure of SDAT to complete a filing in Maryland can significantly impact a business.

By allowing SDAT to offer one-hour and 30-minute expedited processing services for a fee, this bill will create an option for businesses that need immediate turnaround times without affecting the standard processing queue. The proposed fees are very high, reflecting the vital importance of completing such filings on time – \$1,000 for one-hour processing and \$1,500 for 30-minute processing. These fees will ensure that the costs of these services are fully covered without burdening the state budget.

This bill is about more than just efficiency – it is about economic competitiveness. Maryland should be a place where businesses Ensuring a fast, reliable processing option allows businesses to remain agile, make timely decisions, and contribute to Maryland’s economy without unnecessary bureaucratic roadblocks. Entrepreneurs and companies seeking to expand need confidence that the State’s administrative processes will not be obstructionist. By offering expedited filing options, we will align Maryland with best practices in other pro-business states and create a system that supports businesses in real time.

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I appreciate the Committee's consideration of Senate Bill 278 and will be happy to answer any questions the Committee may have.

2026.01.26 MSBA - Comm. Corp. Law BLS -- (Written

Uploaded by: Trey Hilberg

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January 26, 2026

Senator Guy Guzzone, Chair
Maryland Senate Budget & Taxation Committee
3 West Miller Senate Office Building
11 Bladen St.
Annapolis, MD 21401

Re: Testimony in Support of Senate Bill 278 (State Department of Assessments and Taxation – Expedited Document Processing and Fees)

Dear Chair Guzzone, Vice Chair Rosapepe and Fellow Committee Members:

The Committee on Corporation Law of the Section on Business Law of the Maryland State Bar Association (the “Committee on Corporation Law”) regularly proposes legislation aimed at improving the Corporations and Associations Article of the Maryland Code. We submit this testimony in support of Senate Bill 278 (the “Bill”).

The Bill improves and expands the current, limited expedited services offered under Maryland’s Code for filings with the State Department of Assessments and Taxation (“SDAT”). Specifically, the Bill adds tiers of expedited processing, for guaranteed turnarounds. The Bill pairs these added tiers with increased fees to support the cost of such expedited processing. This creates predictable, elective service levels for Maryland businesses who need greater certainty with regard to the timing of their filing.

The Bill solves current pain points for Maryland businesses in critical transactions that are essential for business growth, including capital-raising transactions or mergers and acquisitions. Often, the nature of these transactions, or requirements of parties involved in the transaction, make time-certain, expedited acceptance of filings, critical for closing the transaction and managing risk. These include situations in which a company must: (i) align a filing with the opening of the stock market for purposes of securities issuances, exchange procedures, or market announcements; (ii) sequence multiple filings across multiple jurisdictions in a particular order—often within tight windows—to preserve lien priority or effect multi-step transactions or restructurings; and (iii) evidence a completed filing to satisfy lender funding conditions or payor release requirements at closing.

By establishing enhanced options for filing acceptance, the Bill arms Maryland businesses with a solution to these transactional challenges and gives greater certainty to lenders, counterparties, and markets engaging with Maryland businesses.

While Maryland has limited, expedited options, it has fallen behind other jurisdictions in this regard. Neighboring states like Pennsylvania and Delaware, as well as other states that have seen recent growth in entity formations, like Texas and Nevada, already offer expanded expedited services like those proposed in this Bill. The ability of other jurisdictions to outpace Maryland with more predictable services has become a competitive disadvantage to Maryland businesses. From our Committee on Corporation Law's experience, counseling clients on state-of-formation decisions and transactional planning, the absence of these additional expedited options weighs against businesses choice of Maryland as a state of formation. Our Committee on Corporation Law has seen renewed interest in alternative states of formation in recent months and years. Maryland catching up with other states in this regard, is a simple, but important and timely step, to ensure Maryland is a competitive choice for business formation.

Our Committee on Corporation Law has been in continued dialogue with Director Robert Yeager of SDAT, regarding this Bill and, specifically, its implementation. We support the Bill as presently drafted but, in recognition of certain requests made by Director Yeager and his SDAT staff, we would also support a Sponsor's Amendment to the Bill to (i) eliminate the thirty-minute filing tier, (ii) require pre-clearance of any document submitted for processing using the one-hour expedited filing option, and (iii) set the effective time of this Bill at January 1, 2028.

For the foregoing reasons, our Committee on Corporation Law respectfully urges a favorable report on Senate Bill 278.

Thank you for your time and consideration of our testimony supporting the Bill.

Sincerely,

MSBA Section of Business Law, Committee on
Corporation Law

Trey Hilberg, Member
William E. Carlson, Chair
Scott R. Wilson, Vice Char

cc: Business Law Section Council

2026.01.26 MSBA - Comm. Corp. Law BLS -- (Written

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January 26, 2026

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For the foregoing reasons, our Committee on Corporation Law respectfully urges a favorable report on Senate Bill 278.

Thank you for your time and consideration of our testimony supporting the Bill.

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MSBA Section of Business Law, Committee on
Corporation Law

Trey Hilberg, Member
William E. Carlson, Chair
Scott R. Wilson, Vice Char

cc: Business Law Section Council

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Uploaded by: Robert Yeager

Position: FWA

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



ROBERT YEAGER
Director

MARIA MATHIAS
Associate Director

HEARING DATE: January 27, 2025

BILL: Senate Bill 278

TITLE: State Department of Assessments and Taxation - Expedited Document Processing and Fees

SDAT POSITION: SUPPORT WITH AMENDMENTS

The Department of Assessments and Taxation **SUPPORTS WITH AMENDMENTS** Senate Bill 278 - Expedited Document Processing and Fees.

The Department is committed to enhancing the efficiency of its services and supports the goal of Senate Bill 278 to establish and implement a process for expedited document processing and the corresponding fees. This is a critical step toward modernizing our operations and better serving the business community. In its current form, however, the Department would not be able to implement certain provisions of this bill.

After several productive conversations with the Maryland State Bar Association, the Department respectfully requests the following amendments to ensure the successful and sustainable implementation of this program without jeopardizing the integrity of our core services:

Remove the 30-Minute Filing Option: The Department strongly recommends the removal of the 30-minute expedited filing option. Given the complexity and volume of filings SDAT handles, offering a 30-minute turnaround time would place an unmanageable burden on staff, potentially divert resources from essential non-expedited work, and introduce risk of error in the filing process.

Require Pre-Clearance for 1-Hour Processing: To maintain accuracy and efficiency for the next tier of service, the Department requests that pre-clearance be a mandatory requirement for any document submitted for 1-hour processing. Pre-clearance will ensure that all documents meet basic statutory requirements before entering the expedited queue, minimizing the chance of immediate rejection and requiring staff to process the same filing multiple times.

Maryland Department of Assessments and Taxation
700 E Pratt Street Suite 2100 Baltimore, MD 21202
1-888-246-5941 TTY: 1-800-735-2258

Move Effective Date to 2028: For the Department to successfully implement the operational, technological, and staffing changes required to administer this new program, we propose moving the effective date of the bill to July 1, 2028. This extension is necessary to secure funding, develop and test new IT systems, implement new processing workflows, and train personnel adequately for the new service levels.

With these amendments, Senate Bill 278 will provide a vital new service to the public while maintaining the high standard of accuracy and efficiency that the citizens and businesses of Maryland expect from the Department of Assessments and Taxation. The Department sincerely appreciates the partnership of the Maryland State Bar Association in making this bill a strong option for improving core services to the public.