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DEPUTY MAJORITY WHIP

Economic Matters Committee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 27, 2026

Chair Valderrama
Vice Chair Charkoudian
House Economic Matters Committee
House Office Building, 6 Bladen St., Annapolis, Maryland
Annapolis, MD 21401

FAV Written Testimony for HB996 Corporations and Associations - Revisions

Dear Chair Chair Valderrama, Vice Chair Charkoudian, and Members of the House Economic Matters Committee,

I respectfully submit this testimony in strong support of House Bill 996. This legislation advances targeted, technical revisions to Maryland's Corporations and Associations Article that promote statutory clarity, administrative efficiency, and legal certainty, cornerstones of a stable and competitive business climate.

HB996 addresses practical compliance challenges by requiring the State Department of Assessments and Taxation to provide notice when a charter filing is rejected and permitting a corrected filing within 30 days while preserving the original filing date. This reform reduces avoidable delays and transactional costs for businesses seeking to form, amend, or maintain corporate status. For entrepreneurs and small businesses predictable filing procedures are essential to securing financing, executing contracts, and commencing operations without interruption.

The bill also modernizes corporate governance by authorizing boards to act through unanimous written or electronic consent in appropriate circumstances. This aligns Maryland law with contemporary business practice and widely adopted statutory frameworks that recognize digital communication as a standard mode of corporate decision-making. Importantly, this provision does not diminish fiduciary duties or shareholder rights; it preserves existing safeguards while improving operational flexibility.

Further, HB996 clarifies authority in court-supervised restructurings by enabling trustees, receivers, or duly authorized governing bodies to implement final judicial orders without redundant stockholder approvals. Clear statutory direction in these circumstances minimizes

uncertainty, reduces litigation exposure, and supports orderly resolution, outcomes that benefit creditors, shareholders, employees, and the broader economy.

The legislation also removes outdated or duplicative provisions and corrects technical inconsistencies within the Maryland General Corporation Law. As corporate law scholars and practitioners consistently note, ambiguity in statutory language increases compliance risk and can invite unnecessary litigation. Regular technical updates are a recognized best practice among states that maintain competitive corporate codes, reinforcing investor confidence and regulatory predictability.

It may be suggested that streamlining procedures could weaken accountability. Respectfully, HB996 does not alter substantive rights, reduce oversight, or limit shareholder remedies. Rather, it clarifies processes and eliminates inefficiencies while preserving all existing legal protections. Clear statutes strengthen compliance; predictable procedures enhance transparency.

Maryland's corporate framework must evolve alongside its economy. By refining administrative processes, modernizing governance mechanisms, and correcting technical errors, HB996 supports a stable, transparent, and business-friendly legal environment, one that encourages investment, entrepreneurship, and sustained economic growth.

For these reasons, I respectfully urge the Committee to issue a favorable report on House Bill 996.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Marlon Amprey". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Delegate Marlon Amprey
40th Legislative District of Maryland