

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 320

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - Assessments and Taxation)

Judicial Proceedings

Economic Matters

**Foreign Corporations - Resident Agents - State Department of Assessments and
Taxation**

This departmental bill authorizes a foreign corporation to certify that the State Department of Assessments and Taxation (SDAT) is the corporation's resident agent when registering or qualifying with the department. The bill authorizes SDAT to act as a resident agent for a foreign corporation that does business in the State without a resident agent or with a resident agent who cannot be found or served with the exercise of reasonable diligence.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: None.

Small Business Effect: SDAT has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: Currently, SDAT can be designated as a resident agent for all foreign business entities except for foreign corporations. Foreign corporations currently have to hire agents to receive documentation on their behalf. SDAT advises that the bill will allow foreign corporations to designate SDAT as its resident agent for the purpose of conducting business in the State and therefore create parity among different types of foreign business entities.

Additional Information

Prior Introductions: HB 891 of 2020 received a favorable report from the House Economic Matters Committee and passed the House. The bill was referred to the Senate Rules Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - January 12, 2021
rh/hlb Third Reader - February 2, 2021

Analysis by: Michael Sanelli

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Foreign Corporations - Resident Agents - State Department of Assessments and Taxation

BILL NUMBER: SB 320

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PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will not have an economic impact.