

Chapter 287

(House Bill 390)

AN ACT concerning

**Corporations and Associations – Use or Maintenance of Improper or Outdated
Addresses in Documents**

FOR the purpose of prohibiting the use or maintenance of an improper or outdated address in documents filed for inclusion in records of the State Department of Assessments and Taxation; authorizing a person listed as an owner of real property in the Department's records to file an affidavit with the Department stating that the property's address on record with the Department is being used or maintained in violation of this Act; establishing certain procedures and remedies for adjudicating and resolving disputes concerning the use or maintenance of certain addresses; and generally relating to businesses and the filing of documents with the State Department of Assessments and Taxation.

BY adding to

Article – Corporations and Associations
Section 1–201.2
Annotated Code of Maryland
(2014 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Corporations and Associations

1–201.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ADDRESS” MEANS AN ADDRESS APPEARING ON A GOVERNING DOCUMENT, CHARTER, OR OTHER DOCUMENT FILED FOR INCLUSION IN THE DEPARTMENT’S RECORDS.

(3) “OWNER” MEANS ANY PERSON LISTED AS AN OWNER OF REAL PROPERTY IN THE DEPARTMENT’S RECORDS.

(B) A PERSON MAY NOT USE OR MAINTAIN AN IMPROPER OR OUTDATED:

(1) PRINCIPAL OFFICE ADDRESS;

(2) RESIDENT AGENT ADDRESS; OR

(3) MAILING ADDRESS.

(c) (1) AN OWNER WHO BELIEVES THAT THE OWNER'S ADDRESS IS BEING USED OR MAINTAINED IN VIOLATION OF SUBSECTION (B) OF THIS SECTION MAY SUBMIT TO THE DEPARTMENT AN AFFIDAVIT STATING THE FACTUAL BASIS FOR THAT BELIEF.

(2) ON RECEIPT OF AN AFFIDAVIT UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL SEND TO THE PERSON USING OR MAINTAINING THE DISPUTED ADDRESS A NOTICE THAT:

(i) INCLUDES ANY ADDRESS IN QUESTION;

(ii) INDICATES ANY DEPARTMENT IDENTIFICATION NUMBER ASSOCIATED WITH THE PERSON;

(iii) STATES THE PROHIBITION UNDER SUBSECTION (B) OF THIS SECTION;

(iv) STATES THAT THE DEPARTMENT HAS REASON TO BELIEVE THAT THE ADDRESS IS BEING USED IMPROPERLY OR IN AN OUTDATED MANNER AND DESCRIBES THE FACTUAL BASIS FOR THAT BELIEF; AND

(v) ADVISES THAT THE ADDRESS MAY BE STRICKEN FROM THE DEPARTMENT'S RECORDS UNLESS, WITHIN 45 DAYS AFTER THE NOTICE WAS SENT BY THE DEPARTMENT, THE PERSON SUBMITS TO THE DEPARTMENT AN AFFIDAVIT THAT:

1. STATES THE PERSON'S BELIEF THAT THE ADDRESS DOES NOT VIOLATE SUBSECTION (B) OF THIS SECTION; AND

2. PROVIDES THE FACTUAL BASIS FOR THAT BELIEF.

(3) (i) AN AFFIDAVIT SUBMITTED UNDER THIS SUBSECTION SHALL BE SWORN UNDER PENALTY OF PERJURY AND MADE ON A FORM ADOPTED BY THE DEPARTMENT.

(ii) THE NOTICE REQUIRED UNDER THIS SUBSECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PERSON AT:

1. ANY ADDRESS IN THE DEPARTMENT'S RECORDS OTHER THAN THE DISPUTED ADDRESS; OR

2. IN THE ABSENCE OF ANY OTHER ADDRESS, THE DISPUTED ADDRESS.

(D) THE DEPARTMENT MAY VOID AN ADDRESS AND PLACE AN ENTITY IN NOT-IN-GOOD-STANDING STATUS IF THE DEPARTMENT DOES NOT RECEIVE FROM THE ENTITY'S RESIDENT AGENT OR OTHER AUTHORIZED PERSON AN AFFIDAVIT DESCRIBED UNDER SUBSECTION (C)(2)(V) OF THIS SECTION WITHIN THE STATED 45-DAY PERIOD.

(E) (1) IF THE DEPARTMENT RECEIVES A COMPLETED AFFIDAVIT THAT DISPUTES THE ALLEGED FRAUD IN RESPONSE TO THE NOTICE SENT BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (C)(2)(V) OF THIS SECTION, THE DEPARTMENT SHALL SEND A NOTICE STATING THAT THE DEPARTMENT WILL TAKE NO FURTHER ACTION UNLESS ORDERED TO DO SO BY A COURT OF COMPETENT JURISDICTION.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO:

(I) THE PERSON WHO FILED THE AFFIDAVIT DESCRIBED IN SUBSECTION (C) OF THIS SECTION; AND

(II) THE ENTITY'S RESIDENT AGENT.

(F) (1) A PERSON WHO DISAGREES WITH A DETERMINATION MADE BY THE DEPARTMENT UNDER SUBSECTION (D) OF THIS SECTION MAY FILE A PETITION IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PERSON RESIDES OR IN WHICH THE RESIDENT AGENT IS LOCATED SEEKING A DETERMINATION OF THE VALIDITY OF THE GOVERNING DOCUMENT, CHARTER, OR OTHER DOCUMENT.

(2) THE DEPARTMENT MAY NOT BE JOINED AS A PARTY TO A PROCEEDING UNDER THIS SUBSECTION.

(3) IF THE COURT DETERMINES THAT THE ADDRESS IS BEING USED IN VIOLATION OF THIS SECTION:

(I) THE COURT SHALL ORDER THAT THE ADDRESS BE VOIDED;
AND

(II) THE PREVAILING PARTY SHALL PROVIDE A COPY OF THE ORDER TO THE DEPARTMENT.

(4) ON RECEIPT OF A COURT ORDER REQUIRING THE VOIDING OF AN ADDRESS, THE DEPARTMENT SHALL:

(I) VOID THE ADDRESS; AND

(II) FILE A RECORD INDICATING THAT THE ADDRESS WAS VOIDED IN ACCORDANCE WITH A COURT ORDER.

(5) THE COURT MAY AWARD TO THE PREVAILING PARTY IN A PROCEEDING UNDER THIS SUBSECTION:

(I) DAMAGES SUSTAINED BY THE PREVAILING PARTY; AND

(II) REASONABLE ATTORNEY'S FEES AND COSTS.

(G) THE DEPARTMENT MAY NOT:

(1) CHARGE A FEE TO CARRY OUT ITS OBLIGATIONS UNDER THIS SECTION, INCLUDING FOR THE SENDING OF ANY NOTICES REQUIRED UNDER THIS SECTION; OR

(2) REFUND ANY FEE PAID FOR RECORDING A DOCUMENT OR ENTITY VOIDED UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

Approved by the Governor, May 12, 2022.