

SENATE BILL 447

C1

2lr2980
CF HB 390

By: **Senator Waldstreicher**

Introduced and read first time: January 27, 2022

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: February 22, 2022

CHAPTER _____

1 AN ACT concerning

2 **Corporations and Associations – Use or Maintenance of Improper or Outdated**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

4 FOR the purpose of prohibiting the use or maintenance of an improper or outdated address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

13 BY adding to

14 Article – Corporations and Associations

15 Section 1–201.2

16 Annotated Code of Maryland

17 (2014 Replacement Volume and 2021 Supplement)

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

20 **Article – Corporations and Associations**

21 **1–201.2.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 (2) "ADDRESS" MEANS AN ADDRESS APPEARING ON A GOVERNING
4 DOCUMENT, CHARTER, OR OTHER DOCUMENT FILED FOR INCLUSION IN THE
5 DEPARTMENT'S RECORDS.

6 (3) "OWNER" MEANS ANY PERSON LISTED AS AN OWNER OF REAL
7 PROPERTY IN THE DEPARTMENT'S RECORDS.

8 (B) A PERSON MAY NOT USE OR MAINTAIN AN IMPROPER OR OUTDATED:

9 (1) PRINCIPAL OFFICE ADDRESS;

10 (2) RESIDENT AGENT ADDRESS; OR

11 (3) MAILING ADDRESS.

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

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

19 (I) INCLUDES ANY ADDRESS IN QUESTION;

20 (II) INDICATES ANY DEPARTMENT IDENTIFICATION NUMBER
21 ASSOCIATED WITH THE PERSON;

22 (III) STATES THE PROHIBITION UNDER SUBSECTION (B) OF THIS
23 SECTION;

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

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

1 THAT:

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

4 2. PROVIDES THE FACTUAL BASIS FOR THAT BELIEF.

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

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

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

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

14 (D) THE DEPARTMENT MAY VOID AN ADDRESS AND PLACE AN ENTITY IN
15 NOT-IN-GOOD-STANDING STATUS IF THE DEPARTMENT DOES NOT RECEIVE FROM
16 THE ENTITY'S RESIDENT AGENT OR OTHER AUTHORIZED PERSON AN AFFIDAVIT
17 DESCRIBED UNDER SUBSECTION (C)(2)(V) OF THIS SECTION WITHIN THE STATED
18 45-DAY PERIOD.

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

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

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

30 (II) THE ENTITY'S RESIDENT AGENT.

31 (F) (1) A PERSON WHO DISAGREES WITH A DETERMINATION MADE BY

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

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

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

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

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

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

15 (I) VOID THE ADDRESS; AND

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

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

20 (I) DAMAGES SUSTAINED BY THE PREVAILING PARTY; AND

21 (II) REASONABLE ATTORNEY'S FEES AND COSTS.

22 (G) THE DEPARTMENT MAY NOT:

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

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

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