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HEARING DATE: March 5, 2024

BILL: HB1399

TITLE: Corporations and Associations - Resident Agent - Public Information

SDAT POSITION: OPPOSE

The Department of Assessments and Taxation respectfully opposes House Bill 1399 - Corporations and Associations - Resident Agent - Public Information in its current form. This bill would require the Department to include the name, physical mailing address, email address, and phone number for the resident agent for entities required to designate a resident agent.

While the Department appreciates the intent of this legislation, House Bill 1399 would require costly IT updates to administer and would not be possible due to a “code-freeze” on all Maryland Business Express Services software. Currently, the Department is switching the base code for its MBES software from COBOL to Java due to a lack of available IT staff with knowledge of COBOL. To ensure this transition has been completed successfully, MBES *must* be identical at the end of the project as it was at the beginning. As a result, no new functionality can be coded into the current MBES system.

To administer this bill, the Department would need to contract with a third party vendor to set up an independent system at great expense. Furthermore, while the Department does not currently collect email or phone information, the Department provides mailing addresses for the business itself, the resident agent, and the business’s principal office. The legislation also remains silent on how the Department should handle when an LLC is the resident agent for another LLC, or when the Department serves as an entity’s resident agent.

Accordingly, the Department respectfully requests an **UNFAVORABLE** report on House Bill 1399.