



House Bill 165

*Corporations and Associations – Fee for Processing Articles of Dissolution,
Certificates of Cancellation, and Other Documents - Repeal*

MACo Position: **SUPPORT**

To: Economic Matters Committee

Date: January 30, 2019

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 165 as it could generally improve the efficiency and accuracy of land records, and remedy an inefficient process that troubles local tax collections.

This bill repeals the nonrefundable state processing fee that must be paid by business entities to the State Department of Assessments and Taxation (SDAT) for filing articles of dissolution and certificates of cancellation.

Under current law, business entities that file articles of dissolution and certificates of cancellation with SDAT must pay a \$100 nonrefundable processing fee. Because SDAT has no enforcement mechanism, particularly with entities that are nearing a point of dissolution, many such entities simply avoid filing articles of dissolution and instead force the Department to commence a lengthy forfeiture process.

In the meantime, county governments may receive inaccurate assessment data, resulting in the issuance of property tax bills to entities that are no longer in business. As a result, county governments expend significant time and resources on fruitless and administratively burdensome attempts to collect delinquent property taxes.

MACo believes HB 165 will improve state and local tax assessment efficiency and save valuable local resources. Accordingly, MACo urges a **FAVORABLE** report on HB 165.