VENABLE LLP

750 E. PRATT STREET SUITE 900 BALTIMORE, MD 21202
T 410.244.7400 F 410.244.7742 www.Venable.com

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**Changes to Maryland General Corporation Law Effective October 1, 2026**

During its 2026 session, the General Assembly of Maryland approved House Bill 996, House Bill 308 and House Bill 1346, amending several provisions of the Maryland General Corporation Law (the "MGCL"). House Bill 996 and House Bill 308 became effective on October 1, 2026. House Bill 1346 will take effect on January 1, 2028. Here are the key provisions (all section references are to the MGCL unless otherwise noted):

House Bill 996

*Notification of a Rejected Charter Filing and Acceptance of a Corrected Filing.* Section 1-201 has been amended to provide that when the State Department of Assessments and Taxation (the "SDAT") does not accept a charter document for record, it must notify the filer of the rejection and the reason for the rejection. Section 1-201 has been further amended to provide that if a corrected charter document is refiled and accepted for record within 30 days after the mailing of the notice of rejection, the SDAT shall accept the corrected charter document as of the date that the rejected charter document was originally filed. This change will allow key filing and effective dates to be maintained even when there is an issue with the document initially submitted to the SDAT and formalizes what has generally been the historic practice of the SDAT in our experience.

*Less Than Unanimous Board Consent Permitted for an Open-end Investment Company.* New Section 2-408(d) provides that, unless the charter requires otherwise, the board of directors of a corporation that is registered as an open-end investment company under the Investment Company Act of 1940 (the "1940 Act"), or a committee of such board, may act by less than unanimous consent, if the consent is given by a majority of the entire board of directors, or a majority of the directors on a committee, and in the manner and by the vote required under the 1940 Act. Such consent must be given in writing or by electronic consent, filed with the minutes or proceedings of the board or committee and sent to all directors or committee members within three days of the effective date of the consent. Any director who did not consent may file a dissent to the action by sending a notice of dissent to the secretary of the corporation within 10 days of receipt of the notice by certified mail or electronic transmission. This change will facilitate action by the boards of open-end investment companies formed as Maryland corporations when the 1940 Act does not require an in-person meeting of the board and aligns the MGCL requirement with the typical governing instrument provision for boards of investment companies formed as statutory trusts.

*Corporate Action Taken Pursuant to a Bankruptcy Court Order.* Section 3-301 has been amended to clarify the process for corporate action between the time of effectiveness of a final order for relief under Federal bankruptcy law and the time of entry of a final decree closing the bankruptcy case and discharging the trustee or receiver. During such period, the board of directors or the bankruptcy court-appointed trustee or receiver of a corporation, as the case may be, may amend the charter, amend the bylaws, transfer assets, dissolve the corporation or take any other action necessary to carry out the order without action by the stockholders. If the final order

authorizes a trustee or receiver to take such action, the trustee or receiver may take such action without the approval of the board of directors. The closing of the case and discharge of the trustee or the receiver may not affect the validity of any act taken prior to such closing and discharge in accordance with the statute.

*Foreign Corporation Conducting Business Without Registration.* Section 7-301 of the Foreign Corporations Title of the Corporations and Associations Article of the Annotated Code of Maryland ("Title 7") has been amended to delete as unnecessary references to "any person claiming under" a foreign corporation. Section 7-302 of Title 7 has been amended to eliminate the misdemeanor charge and potential fine of up to $1,000 for the officers or agents of a foreign corporation doing intrastate, interstate or foreign business in the State of Maryland without qualifying or registering. The amendment does not change the penalty of up to $200 that may be imposed by the SDAT on the foreign corporation itself for doing any intrastate, interstate or foreign business in the State of Maryland without qualifying or registering.

House Bill 308

*Commercial Mail Receiving Agency as the Principal Office.* Section 1-101 has been expanded to provide that an address in the State of Maryland supplied by a commercial mail receiving agency with which a Maryland corporation has a valid commercial mail receiving agreement in accordance with U.S. Postal Service regulations may also serve as the principal office in the State of Maryland for such entity. A commercial mail receiving agency is defined as a person authorized by the U.S. Postal Service to accept the delivery of mail on behalf of another person as a business service. This change also applies to Maryland limited liability companies, limited liability partnerships and limited partnerships and will allow mailbox centers, virtual office providers and even digital mail forwarding services in Maryland to act as a principal office in Maryland.

House Bill 1346

*One Hour Expedited Filings.* In addition to the current two-hour expedited processing of charter documents filed with the SDAT, Section 1-203 has been amended to also include a one-hour service, subject to a $1,000 fee. The charter document must be precleared by the SDAT prior to the filing and must be received by the SDAT at least one hour before the close of business of the SDAT. This change will allow for a faster turn-around for time-sensitive filings by Maryland entities, such as Articles of Merger for a business combination or Articles Supplementary relating to a preferred stock offering. In order to provide sufficient time for the SDAT to update its systems to handle the new expedited filing, this amendment to Section 1-203 will not take effect until January 1, 2028.

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As always, our colleagues and we are available at any time to discuss these or other matters of Maryland law.

Patsy McGowan
Michael Leber

*This memorandum is provided for information purposes only and is not intended to provide legal advice. Such advice may be provided only after analysis of specific facts and circumstances and consideration of issues that may not be addressed in this document.*