

*Resolved*, That the Commission so appointed be requested to report its findings to the Legislative Council.

Approved May 4, 1965.

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No. 21

(House Joint Resolution 1)

House Joint Resolution requesting the Governor of Maryland to appoint a commission of persons to review and revise several aspects of the corporation laws of the State of Maryland.

WHEREAS, A general revision of the corporation laws of the State of Maryland was proposed to the Maryland General Assembly in 1951 by the Walsh Gubernatorial Commission appointed in 1947 for the purpose of revising the corporation laws, and the revision was approved by the General Assembly by Chapter 135 of 1951; and

WHEREAS, The Walsh Commission in its report, dated December 1, 1950, cited one area of the corporation laws which it reported it was unable to review, and the reporter for the Commission has advised the Legislative Council that two additional aspects of the corporation laws were not considered by the Commission because of time limitations; and

WHEREAS, These subjects which are in need of revision are the following:

1. Membership of non-profit corporations. The Walsh Commission made the general corporation statute applicable to membership corporations to the extent feasible and added a few provisions applicable exclusively to membership corporations. Use of membership corporations is increasing, and it is now desirable to enact a complete statute applicable to them in lieu of the provisions of the present general statute.

2. Special types of corporations. The Walsh Commission did no work on this subject. The present provisions of the corporation law applicable to special classes of corporations are obsolete and conflict in several instances with the general statute. A need exists for revision of the laws applicable to these corporations.

3. Small corporations with a limited number of stockholders. No work on this subject was done by the Walsh Commission, but other states have adopted special statutes relating to this type of corporation. It is desirable to provide more simple procedures and statutory requirements for these corporations than is provided by the general statute; and

WHEREAS, The General Assembly recognizes the importance of maintaining a modern and workable corporation law because of its effect on the business community of the State and because of the interest of the State in attracting new corporations to the State; now, therefore, be it