

confirming the transfer." (Emphasis supplied). 1 That subsection goes on to provide that "failure to pay the required taxes within this period of time shall invalidate the acceptance of the articles." The sentence preceding that last quoted, however, does not provide a time within which the taxes are to be paid but provides that they are not due and payable until 30 days or more after the date on which the articles became effective. Thus, the taxes need not be paid within any specific period of time and the Department is thus given no meaningful power to invalidate its earlier acceptance of Articles of Transfer for non-payment of taxes. While the first sentence of subsection (t)(3) might be read to provide that the taxes are due and payable upon or no later than the filing of a confirmatory deed, which cannot be filed less than 30 days after the effective day of the articles, such an interpretation both produces an illegal prohibition against filing a confirmatory deed and paying the taxes within 30 days and also leaves an open-ended payment date for the taxes which need only be paid if and when the transferee chooses to file a confirmatory deed or deeds. Were the prompt filing of a confirmatory deed absolutely necessary to complete the transfer of title, we might not be so concerned about the open-ended payment date and might feel more comfortable with an obligation to pay the taxes upon the filing of a confirmatory deed. However, Corporations and Associations Article, Section 3-115, provides that the assets of the transferor "vest in, and devolve on" the transferee as provided in the Articles "without further act or deed." 2

Insofar as the amendments to Sections 277A and 278A are concerned, the same difficulties exist. Language identical to that set forth in Section 277, subsection (t)(3) appears in the amendment to Section 277A beginning on line 220 of the Bill and in the amendment to Section 278A beginning on line 273 of the bill. 3

We are confident that the General Assembly did not intend the result which follows from the provisions of this bill. Accordingly, you may wish to consider vetoing the bill however desirable its intended purpose may be.

Very truly yours,
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Attorney General

1 We assume that the General Assembly meant to say "not more than," but we are not at liberty to convert their words into words of clearly opposite import. Note that §3-113 of the Corporations and Associations Article calls for the transactions to be effective no more than 30 days after acceptance