

SENATE BILL 404

I4

4r1921
CF HB 99

By: **Senators Kelley, Benson, Brochin, Feldman, Glassman, Kittleman,
Montgomery, Pugh, ~~and Ramirez~~ Ramirez, Middleton, and Klausmeier**

Introduced and read first time: January 23, 2014

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 14, 2014

CHAPTER _____

1 AN ACT concerning

2 **Maryland Uniform Commercial Code – Secured Transactions – Notice of**
3 **Filing of Financing Statement**

4 FOR the purpose of requiring the State Department of Assessments and Taxation or
5 other office that receives a certain financing statement for filing to provide a
6 certain notice of the filing to the debtor identified on the financing statement
7 under certain circumstances; requiring the Department or other office required
8 to provide the notice to determine the form of the notice; requiring the notice to
9 contain certain information; providing for the application of this Act; and
10 generally relating to secured transactions and the filing of financing statements.

11 BY repealing and reenacting, with amendments,
12 Article – Commercial Law
13 Section 9–501
14 Annotated Code of Maryland
15 (2013 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Commercial Law**

19 9–501.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) Except as otherwise provided in subsection (b), if the local law of this
 2 State governs perfection of a security interest or agricultural lien, the office in which
 3 to file a financing statement to perfect the security interest or agricultural lien is:

4 (1) The office designated for the filing or recording of a record of a
 5 mortgage on the related real property, if:

6 (A) The collateral is as-extracted collateral or timber to be cut;
 7 or

8 (B) The financing statement is filed as a fixture filing and the
 9 collateral is goods that are or are to become fixtures; or

10 (2) The Maryland State Department of Assessments and Taxation
 11 (“Department”), in all other cases, including a case in which the collateral is goods that
 12 are or are to become fixtures and the financing statement is not filed as a fixture
 13 filing.

14 (b) The office in which to file a financing statement to perfect a security
 15 interest in collateral, including fixtures, of a transmitting utility is the Department.
 16 The financing statement also constitutes a fixture filing as to the collateral indicated
 17 in the financing statement which is or is to become fixtures.

18 (c) (1) THIS SUBSECTION DOES NOT APPLY TO A FINANCING
 19 STATEMENT THAT IS A MORTGAGE OR DEED OF TRUST.

20 (2) IF THE DEPARTMENT OR OTHER OFFICE RECEIVES A
 21 FINANCING STATEMENT UNDER SUBSECTION (A) OR (B) FOR FILING AND THE
 22 SECURED PARTY AND THE DEBTOR IDENTIFIED ON THE FINANCING STATEMENT
 23 ARE INDIVIDUALS, THE DEPARTMENT OR OTHER OFFICE SHALL PROVIDE
 24 WRITTEN NOTICE OF THE FILING OF THE FINANCING STATEMENT TO THE
 25 DEBTOR.

26 ~~(2)~~ (3) SUBJECT TO PARAGRAPH ~~(3)~~ (4), THE DEPARTMENT OR
 27 OTHER OFFICE REQUIRED TO PROVIDE WRITTEN NOTICE UNDER PARAGRAPH
 28 ~~(1)~~ (2) SHALL DETERMINE THE FORM OF THE NOTICE.

29 ~~(3)~~ (4) THE WRITTEN NOTICE SHALL CONTAIN AT LEAST THE
 30 FOLLOWING INFORMATION:

31 (A) THE DEBTOR’S NAME AND ADDRESS AS SHOWN ON THE
 32 FINANCING STATEMENT;

33 (B) THE SECURED PARTY’S NAME AND ADDRESS AS SHOWN
 34 ON THE FINANCING STATEMENT; AND

1 **(C) THE REMEDIES AVAILABLE TO THE DEBTOR IF THE**
2 **DEBTOR BELIEVES THAT THE FINANCING STATEMENT IS ERRONEOUSLY OR**
3 **FRAUDULENTLY FILED.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2014.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.