

HOUSE BILL 99

I4

4lr0694

(PRE-FILED)

By: **Delegate Arora**

Requested: October 22, 2013

Introduced and read first time: January 8, 2014

Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

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

FOR the purpose of requiring the State Department of Assessments and Taxation or other office that receives a financing statement for filing to provide a certain notice of the filing to the debtor identified on the financing statement under certain circumstances; requiring the Department or other office required to provide the notice to determine the form of the notice; requiring the notice to contain certain information; and generally relating to secured transactions and the filing of financing statements.

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

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

Article – Commercial Law

9–501.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

(C) (1) IF THE DEPARTMENT OR OTHER OFFICE RECEIVES A FINANCING STATEMENT UNDER SUBSECTION (A) OR (B) FOR FILING AND THE SECURED PARTY AND THE DEBTOR IDENTIFIED ON THE FINANCING STATEMENT ARE INDIVIDUALS, THE DEPARTMENT OR OTHER OFFICE SHALL PROVIDE WRITTEN NOTICE OF THE FILING OF THE FINANCING STATEMENT TO THE DEBTOR.

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

(3) THE WRITTEN NOTICE SHALL CONTAIN AT LEAST THE FOLLOWING INFORMATION:

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

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

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

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