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**By: Chairman, Ways and Means Committee (Departmental - Assessments and Taxation)**

Requested: November 8, 1995

Introduced and read first time: January 10, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Financing Statements - Filing**

3 FOR the purpose of clarifying the circumstances under which the Department of  
4 Assessments and Taxation shall collect recordation tax on financing statements filed  
5 with the Department.

6 BY repealing and reenacting, without amendments,  
7 Article - Commercial Law  
8 Section 9-401(1)  
9 Annotated Code of Maryland  
10 (1992 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - Commercial Law  
13 Section 9-402(1)(d)  
14 Annotated Code of Maryland  
15 (1992 Replacement Volume and 1995 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Tax - Property  
18 Section 12-103(e)  
19 Annotated Code of Maryland  
20 (1994 Replacement Volume and 1995 Supplement)

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

23 **Article - Commercial Law**

24 9-401.

25 (1) The proper place to file in order to perfect a security interest is as follows:

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1 (a) When the collateral is crops growing or to be grown, in the office of the  
2 clerk of the circuit court in the county where the land on which the crops are growing or  
3 to be grown is located;

4 (b) When the collateral is timber to be cut, or is minerals or the like  
5 (including oil and gas), or accounts subject to § 9-103(5) or when the collateral is goods  
6 which are or are to become fixtures, then in the land records in the office of the clerk of  
7 the circuit court in the county where a mortgage on the real estate concerned would be  
8 filed or recorded;

9 (c) In all other cases, in the office of the Maryland State Department of  
10 Assessments and Taxation;

11 (d) Nothing in this subsection shall be construed to invalidate any financing  
12 statement properly filed in good faith prior to July 1, 1995.

13 9-402.

14 (1) (d) When the financing statement is filed [only] with the Department  
15 under § 9-401(1)(c) of this subtitle, the statement shall also:

16 (i) Identify the county in which each debtor's principal place of  
17 business in the State is located, if any;

18 (ii) Identify each debtor's county of residence in the State, if any; or

19 (iii) If a debtor has no principal place of business or residence in the  
20 State, state that neither item (i) nor (ii) of this paragraph applies.

21 **Article - Tax - Property**

22 12-103.

23 (e) (1) For a security agreement filed [only] with the Department under §  
24 9-401(1)(c) of the Commercial Law Article, the recordation tax rate is:

25 (i) in the case of a single debtor that has a place of business in the  
26 State and in the case of multiple debtors all of whom have a principal place of business in  
27 the same county in the State, the rate set by the county in which the debtors' principal  
28 place of business in the State is located;

29 (ii) in the case of a single debtor that has no place of business in the  
30 State but resides in the State and in the case of multiple debtors none of whom has a  
31 principal place of business in the State but all of whom reside in the same county in the  
32 State, the rate set by the county in which the debtors reside; and

33 (iii) in the case of a single debtor that has no place of business in the  
34 State and does not reside in the State and in the case of multiple debtors not covered  
35 under subparagraph (i) or (ii) of this paragraph, \$1.65.

36 (2) The Department shall collect the recordation tax when the security  
37 agreement is filed.

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1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 1996.