

(PRE-FILED)

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

Committee Report: Favorable

House action: Adopted

Read second time: February 21, 1996

CHAPTER ____

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)

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

3 **Article - Commercial Law**

4 9-401.

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

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

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

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

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

18 9-402.

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

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

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

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

26 **Article - Tax - Property**

27 12-103.

28 (e) (1) For a security agreement filed [only] with the Department under §
29 9-401(1)(c) of the Commercial Law Article, the recordation tax rate is:

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

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

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

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

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