
By: **Delegates Taylor and Hixson**
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Assigned to: Ways and Means

Committee Report: Favorable
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Read second time: March 14, 2000

CHAPTER_____

1 AN ACT concerning

2 **Recordation Tax - Security Agreements Filed with Department of**
3 **Assessments and Taxation**

4 FOR the purpose of exempting from the recordation tax certain security agreements
5 filed with the Department of Assessments and Taxation; correcting certain
6 cross-references; providing for a delayed effective date; and generally relating to
7 an exemption from the recordation tax for certain security agreements filed
8 with the Department of Assessments and Taxation.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - Property
11 Section 12-102, 12-104(b), 12-108(k), and 12-109(b)(3)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1999 Supplement)

14 BY repealing
15 Article - Tax - Property
16 Section 12-103(e) and 12-110(e)
17 Annotated Code of Maryland
18 (1994 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article - Tax - Property
21 Section 12-107
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1999 Supplement)

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

3 **Article - Tax - Property**

4 12-102.

5 Except as otherwise provided in this title, recordation tax is imposed on an
6 instrument of writing:

7 (1) recorded with the clerk of the circuit court for a county; or

8 (2) filed with the Department and described in § 12-103(d) [or (e)] of
9 this title.

10 12-103.

11 [(e) (1) For a security agreement filed with the Department under §
12 9-401(1)(c) of the Commercial Law Article, the recordation tax rate is:

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

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

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

24 (2) The Department shall collect the recordation tax when the security
25 agreement is filed.]

26 12-104.

27 (b) Security agreements filed in accordance with [§ 9-402] § 9-502 of the
28 Maryland Uniform Commercial Code are governed by the requirements of that
29 section and not by subsection (a) of this section.

30 12-107.

31 Except as otherwise provided in this title, the recordation tax applies to an
32 instrument of writing that perfects a security interest in tangible personal property,
33 standing timber, or fixtures.

1 12-108.

2 (k) A security agreement filed or recorded under the Maryland Uniform
3 Commercial Code is not subject to recordation tax [,]:

4 (1) if it is filed or recorded:

5 [(1)] (I) to perfect a security interest in inventory;

6 [(2)] (II) to perfect a security interest in contract rights, general
7 intangibles, or accounts;

8 [(3)] (III) to perfect a security interest in farm products or in equipment
9 used in farming operations;

10 [(4)] (IV) to perfect a security interest taken or retained by a seller of
11 collateral to secure all or part of its price; or

12 [(5)] (V) to publicize a lease of goods or fixtures, provided that the
13 security agreement states on its face that it does not create a security interest; OR

14 (2) IF IT IS FILED OR RECORDED WITH THE DEPARTMENT UNDER §
15 9-501(A)(2) OF THE COMMERCIAL LAW ARTICLE.

16 12-109.

17 (b) (3) The recordation tax on [a security agreement,] articles of transfer,
18 articles of merger, articles of consolidation or other documents which evidence a
19 merger or consolidation of foreign corporations, foreign partnerships, foreign limited
20 liability companies, or foreign limited partnerships filed with the Department shall
21 be paid to the Department.

22 12-110.

23 [(e) The recordation tax collected under § 12-103(e) of this title shall be paid to
24 the Comptroller. After deduction of the cost to the Department of collecting the tax,
25 the Comptroller shall distribute the revenue as follows:

26 (1) recordation taxes collected by the Department for which a county
27 recordation tax rate was applied under § 12-103(e)(1)(i) or (ii) of this title shall be
28 remitted to that county; and

29 (2) recordation taxes collected by the Department for which the statutory
30 recordation tax rate was applied under § 12-103(e)(1)(iii) of this title shall be remitted
31 to the counties in the ratio that the recordation tax collected in the prior fiscal year in
32 each county bears to the total recordation tax collected in all counties in that year.]

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2001.

