

HOUSE BILL 713

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2lr1169
CF SB 748

By: **Delegate Feldman**

Introduced and read first time: February 8, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Uniform Commercial Code – Secured Transactions –**
3 **Revision**

4 FOR the purpose of altering the circumstances under which a secured party has
5 control of electronic chattel paper; authorizing a certain registered organization
6 and a branch or agency of a certain bank to designate its state of location in a
7 certain manner; establishing certain rules applicable to collateral to which a
8 security interest attaches within a certain period of time; establishing certain
9 rules applicable to a financing statement naming an original debtor that is filed
10 pursuant to the law of a certain jurisdiction; altering the circumstances under
11 which a certain licensee or buyer of certain collateral takes free of a security
12 interest; altering the circumstances under which a security interest created by a
13 new debtor is perfected; altering the applicability of certain provisions of law
14 governing terms in certain agreements or promissory notes; altering and
15 clarifying certain provisions of law that establish when a financing statement
16 sufficiently provides the name of the debtor and when the name of the debtor
17 becomes insufficient; altering the circumstances under which a filing does not
18 occur with respect to certain records; authorizing a person to file an information
19 statement with respect to a certain record under certain circumstances;
20 specifying the contents of an information statement; providing that the filing of
21 an information statement does not affect the effectiveness of a certain financing
22 statement or record; altering the circumstances under which a filing office that
23 accepts written records is prohibited from refusing to accept certain documents;
24 establishing certain transition provisions; altering certain definitions; defining
25 certain terms; making certain stylistic, conforming, and clarifying changes;
26 providing for a delayed effective date; and generally relating to secured
27 transactions.

28 BY renumbering

29 Article – Commercial Law

30 Section 9–102(a)(69) and (70) and (72) through (81), respectively

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to be Section 9–102(a)(70) and (71) and (73) through (82), respectively
 2 Annotated Code of Maryland
 3 (2002 Replacement Volume and 2011 Supplement)

4 BY repealing and reenacting, with amendments,
 5 Article – Commercial Law
 6 Section 9–102(a)(7), (10), (50), and (71), 9–105, 9–307(f), 9–311(a), 9–317(b) and
 7 (d), 9–326, 9–406(e), 9–408(b), 9–503(a) and (b), 9–507, 9–515(f), 9–516,
 8 9–518, 9–521, and 9–607(b)
 9 Annotated Code of Maryland
 10 (2002 Replacement Volume and 2011 Supplement)

11 BY adding to
 12 Article – Commercial Law
 13 Section 9–102(a)(69), 9–316(h) and (i), and 9–503(f), (g), and (h); and 9–801
 14 through 9–810 to be under the new subtitle “Subtitle 8. Transition
 15 Provisions for 2012 Amendments”
 16 Annotated Code of Maryland
 17 (2002 Replacement Volume and 2011 Supplement)

18 BY repealing and reenacting, without amendments,
 19 Article – Commercial Law
 20 Section 9–406(d), 9–408(a), and 9–607(a)(3)
 21 Annotated Code of Maryland
 22 (2002 Replacement Volume and 2011 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 24 MARYLAND, That Section(s) 9–102(a)(69) and (70) and (72) through (81),
 25 respectively, of Article – Commercial Law of the Annotated Code be renumbered to be
 26 Section(s) 9–102(a)(70) and (71) and (73) through (82), respectively.

27 SECTION 2. AND BE FURTHER ENACTED, That the Laws of Maryland read
 28 as follows:

29 **Article – Commercial Law**

30 9–102.

31 (a) In this title:

32 (7) “Authenticate” means:

33 (A) To sign; or

34 (B) [To execute or otherwise adopt a symbol, or encrypt or
 35 similarly process a record in whole or in part, with the present intent of the
 36 authenticating person to identify the person and adopt or accept a record] **WITH**

1 PRESENT INTENT TO ADOPT OR ACCEPT A RECORD, TO ATTACH TO OR
2 LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC SOUND, SYMBOL, OR
3 PROCESS.

4 (10) "Certificate of title" means a certificate of title with respect to
5 which a statute provides for the security interest in question to be indicated on the
6 certificate as a condition or result of the security interest's obtaining priority over the
7 rights of a lien creditor with respect to the collateral. **THE TERM INCLUDES**
8 **ANOTHER RECORD MAINTAINED AS AN ALTERNATIVE TO A CERTIFICATE OF**
9 **TITLE BY THE GOVERNMENTAL UNIT THAT ISSUES CERTIFICATES OF TITLE IF A**
10 **STATUTE PERMITS THE SECURITY INTEREST IN QUESTION TO BE INDICATED ON**
11 **THE RECORD AS A CONDITION OR RESULT OF THE SECURITY INTEREST'S**
12 **OBTAINING PRIORITY OVER THE RIGHTS OF A LIEN CREDITOR WITH RESPECT**
13 **TO THE COLLATERAL.**

14 (50) "Jurisdiction of organization", with respect to a registered
15 organization, means the jurisdiction under whose law the organization is **FORMED OR**
16 **organized.**

17 **(69) "PUBLIC ORGANIC RECORD" MEANS A RECORD THAT IS**
18 **AVAILABLE TO THE PUBLIC FOR INSPECTION AND IS:**

19 **(A) A RECORD CONSISTING OF THE RECORD INITIALLY**
20 **FILED WITH OR ISSUED BY A STATE OR THE UNITED STATES TO FORM OR**
21 **ORGANIZE AN ORGANIZATION AND ANY RECORD FILED WITH OR ISSUED BY THE**
22 **STATE OR THE UNITED STATES WHICH AMENDS OR RESTATES THE INITIAL**
23 **RECORD;**

24 **(B) AN ORGANIC RECORD OF A BUSINESS TRUST**
25 **CONSISTING OF THE RECORD INITIALLY FILED WITH A STATE AND ANY RECORD**
26 **FILED WITH THE STATE WHICH AMENDS OR RESTATES THE INITIAL RECORD, IF**
27 **A STATUTE OF THE STATE GOVERNING BUSINESS TRUSTS REQUIRES THAT THE**
28 **RECORD BE FILED WITH THE STATE; OR**

29 **(C) A RECORD CONSISTING OF LEGISLATION ENACTED BY**
30 **THE LEGISLATURE OF A STATE OR THE CONGRESS OF THE UNITED STATES**
31 **WHICH FORMS OR ORGANIZES AN ORGANIZATION, ANY RECORD AMENDING THE**
32 **LEGISLATION, AND ANY RECORD FILED WITH OR ISSUED BY THE STATE OR THE**
33 **UNITED STATES WHICH AMENDS OR RESTATES THE NAME OF THE**
34 **ORGANIZATION.**

35 **[(71)] (72) "Registered organization" means an organization FORMED**
36 **OR organized solely under the law of a single state or the United States [and as to**
37 **which the state or the United States must maintain a public record showing the**

1 organization to have been organized] BY THE FILING OF A PUBLIC ORGANIC
2 RECORD WITH, THE ISSUANCE OF A PUBLIC ORGANIC RECORD BY, OR THE
3 ENACTMENT OF LEGISLATION BY THE STATE OR THE UNITED STATES. THE
4 TERM INCLUDES A BUSINESS TRUST THAT IS FORMED OR ORGANIZED UNDER
5 THE LAW OF A SINGLE STATE IF A STATUTE OF THE STATE GOVERNING
6 BUSINESS TRUSTS REQUIRES THAT THE BUSINESS TRUST'S ORGANIC RECORD
7 BE FILED WITH THE STATE.

8 9–105.

9 (A) A secured party has control of electronic chattel paper if A SYSTEM
10 EMPLOYED FOR EVIDENCING THE TRANSFER OF INTERESTS IN THE CHATTEL
11 PAPER RELIABLY ESTABLISHES THE SECURED PARTY AS THE PERSON TO WHICH
12 THE CHATTEL PAPER WAS ASSIGNED.

13 (B) A SYSTEM SATISFIES SUBSECTION (A) IF the record or records
14 comprising the chattel paper are created, stored, and assigned in such a manner that:

15 (1) A single authoritative copy of the record or records exists which is
16 unique, identifiable and, except as otherwise provided in paragraphs (4), (5), and (6) of
17 this section, unalterable;

18 (2) The authoritative copy identifies the secured party as the assignee
19 of the record or records;

20 (3) The authoritative copy is communicated to and maintained by the
21 secured party or its designated custodian;

22 (4) Copies or [revisions] AMENDMENTS that add or change an
23 identified assignee of the authoritative copy can be made only with the [participation]
24 CONSENT of the secured party;

25 (5) Each copy of the authoritative copy and any copy of a copy is
26 readily identifiable as a copy that is not the authoritative copy; and

27 (6) Any [revision] AMENDMENT of the authoritative copy is readily
28 identifiable as [an] authorized or unauthorized [revision].

29 9–307.

30 (f) Except as otherwise provided in subsection (i), a registered organization
31 that is organized under the law of the United States and a branch or agency of a bank
32 that is not organized under the law of the United States or a state are located:

1 (1) In the state that the law of the United States designates, if the law
2 designates a state of location;

3 (2) In the state that the registered organization, branch, or agency
4 designates, if the law of the United States authorizes the registered organization,
5 branch, or agency to designate its state of location, **INCLUDING BY DESIGNATING ITS**
6 **MAIN OFFICE, HOME OFFICE, OR OTHER COMPARABLE OFFICE**; or

7 (3) In the District of Columbia, if neither paragraph (1) nor paragraph
8 (2) applies.

9 9–311.

10 (a) Except as otherwise provided in subsection (d), the filing of a financing
11 statement is not necessary or effective to perfect a security interest in property subject
12 to:

13 (1) A statute, regulation, or treaty of the United States whose
14 requirements for a security interest's obtaining priority over the rights of a lien
15 creditor with respect to the property preempt § 9–310(a);

16 (2) Any [~~certificate-of-title~~] statute of this State which provides for a
17 security interest to be indicated on [~~the~~] A certificate **OF TITLE** as a condition or result
18 of perfection; or

19 (3) A [~~certificate-of-title~~] statute of another jurisdiction which
20 provides for a security interest to be indicated on [~~the~~] A certificate **OF TITLE** as a
21 condition or result of the security interest's obtaining priority over the rights of a lien
22 creditor with respect to the property.

23 9–316.

24 **(H) THE FOLLOWING RULES APPLY TO COLLATERAL TO WHICH A**
25 **SECURITY INTEREST ATTACHES WITHIN FOUR MONTHS AFTER THE DEBTOR**
26 **CHANGES ITS LOCATION TO ANOTHER JURISDICTION:**

27 **(1) A FINANCING STATEMENT FILED BEFORE THE CHANGE**
28 **PURSUANT TO THE LAW OF THE JURISDICTION DESIGNATED IN § 9–301(1) OR §**
29 **9–305(C) IS EFFECTIVE TO PERFECT A SECURITY INTEREST IN THE COLLATERAL**
30 **IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO PERFECT A**
31 **SECURITY INTEREST IN THE COLLATERAL HAD THE DEBTOR NOT CHANGED ITS**
32 **LOCATION;**

33 **(2) IF A SECURITY INTEREST PERFECTED BY A FINANCING**
34 **STATEMENT THAT IS EFFECTIVE UNDER PARAGRAPH (1) BECOMES PERFECTED**

1 UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER OF THE
2 TIME THE FINANCING STATEMENT WOULD HAVE BECOME INEFFECTIVE UNDER
3 THE LAW OF THE JURISDICTION DESIGNATED IN § 9-301(1) OR § 9-305(C) OR
4 THE EXPIRATION OF THE FOUR-MONTH PERIOD, IT REMAINS PERFECTED
5 THEREAFTER; AND

6 (3) IF THE SECURITY INTEREST DOES NOT BECOME PERFECTED
7 UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR
8 EVENT, IT BECOMES UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN
9 PERFECTED AS AGAINST A PURCHASER OF THE COLLATERAL FOR VALUE.

10 (I) IF A FINANCING STATEMENT NAMING AN ORIGINAL DEBTOR IS
11 FILED PURSUANT TO THE LAW OF THE JURISDICTION DESIGNATED IN § 9-301(1)
12 OR § 9-305(C) AND THE NEW DEBTOR IS LOCATED IN ANOTHER JURISDICTION,
13 THE FOLLOWING RULES APPLY:

14 (1) THE FINANCING STATEMENT IS EFFECTIVE TO PERFECT A
15 SECURITY INTEREST IN COLLATERAL ACQUIRED BY THE NEW DEBTOR BEFORE,
16 AND WITHIN FOUR MONTHS AFTER, THE NEW DEBTOR BECOMES BOUND UNDER
17 § 9-203(D), IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO
18 PERFECT A SECURITY INTEREST IN THE COLLATERAL HAD THE COLLATERAL
19 BEEN ACQUIRED BY THE ORIGINAL DEBTOR;

20 (2) A SECURITY INTEREST PERFECTED BY THE FINANCING
21 STATEMENT AND WHICH BECOMES PERFECTED UNDER THE LAW OF THE OTHER
22 JURISDICTION BEFORE THE EARLIER OF THE TIME THE FINANCING STATEMENT
23 WOULD HAVE BECOME INEFFECTIVE UNDER THE LAW OF THE JURISDICTION
24 DESIGNATED IN § 9-301(1) OR § 9-305(C) OR THE EXPIRATION OF THE
25 FOUR-MONTH PERIOD REMAINS PERFECTED THEREAFTER; AND

26 (3) A SECURITY INTEREST THAT IS PERFECTED BY THE
27 FINANCING STATEMENT BUT WHICH DOES NOT BECOME PERFECTED UNDER
28 THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR EVENT
29 BECOMES UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN PERFECTED AS
30 AGAINST A PURCHASER OF THE COLLATERAL FOR VALUE.

31 9-317.

32 (b) Except as otherwise provided in subsection (e), a buyer, other than a
33 secured party, of tangible chattel paper, tangible documents, goods, instruments, or a
34 [security certificate] CERTIFICATED SECURITY takes free of a security interest or
35 agricultural lien if the buyer gives value and receives delivery of the collateral without
36 knowledge of the security interest or agricultural lien and before it is perfected.

1 (d) A licensee of a general intangible or a buyer, other than a secured party,
2 of [accounts, electronic chattel paper, electronic documents, general intangibles, or
3 investment property] **COLLATERAL** other than **TANGIBLE CHATTEL PAPER,**
4 **TANGIBLE DOCUMENTS, GOODS, INSTRUMENTS, OR** a certificated security takes
5 free of a security interest if the licensee or buyer gives value without knowledge of the
6 security interest and before it is perfected.

7 9–326.

8 (a) Subject to subsection (b), a security interest **THAT IS** created by a new
9 debtor [which is] **IN COLLATERAL IN WHICH THE NEW DEBTOR HAS OR ACQUIRES**
10 **RIGHTS AND IS** perfected **SOLELY** by a filed financing statement that [is effective
11 solely under § 9–508 in collateral in which a new debtor has or acquires rights]
12 **WOULD BE INEFFECTIVE TO PERFECT THE SECURITY INTEREST BUT FOR THE**
13 **APPLICATION OF § 9–316(I)(1) OR § 9–508** is subordinate to a security interest in
14 the same collateral which is perfected other than by **SUCH** a filed financing statement
15 [that is effective solely under § 9–508 of this title].

16 (b) The other provisions of this subtitle determine the priority among
17 conflicting security interests in the same collateral perfected by filed financing
18 statements [that are effective solely under § 9–508 of this title] **DESCRIBED IN**
19 **SUBSECTION (A)**. However, if the security agreements to which a new debtor became
20 bound as debtor were not entered into by the same original debtor, the conflicting
21 security interests rank according to priority in time of the new debtor's having become
22 bound.

23 9–406.

24 (d) Except as otherwise provided in subsection (e) and §§ 2A–303 of this
25 article and 9–407, and subject to subsection (h), a term in an agreement between an
26 account debtor and an assignor or in a promissory note is ineffective to the extent that
27 it:

28 (1) Prohibits, restricts, or requires the consent of the account debtor or
29 person obligated on the promissory note to the assignment or transfer of, or the
30 creation, attachment, perfection, or enforcement of a security interest in, the account,
31 chattel paper, payment intangible, or promissory note; or

32 (2) Provides that the assignment or transfer or the creation,
33 attachment, perfection, or enforcement of the security interest may give rise to a
34 default, breach, right of recoupment, claim, defense, termination, right of termination,
35 or remedy under the account, chattel paper, payment intangible, or promissory note.

36 (e) Subsection (d) does not apply to the sale of a payment intangible or
37 promissory note, **OTHER THAN A SALE PURSUANT TO A DISPOSITION UNDER §**
38 **9–610 OR AN ACCEPTANCE OF COLLATERAL UNDER § 9–620.**

1 9-408.

2 (a) Except as otherwise provided in subsection (b), a term in a promissory
3 note or in an agreement between an account debtor and a debtor which relates to a
4 health-care-insurance receivable or a general intangible, including a contract, permit,
5 license, or franchise, and which term prohibits, restricts, or requires the consent of the
6 person obligated on the promissory note or the account debtor to, the assignment or
7 transfer of, or creation, attachment, or perfection of a security interest in, the
8 promissory note, health-care-insurance receivable, or general intangible, is ineffective
9 to the extent that the term:

10 (1) Would impair the creation, attachment, or perfection of a security
11 interest; or

12 (2) Provides that the assignment or transfer or the creation,
13 attachment, or perfection of the security interest may give rise to a default, breach,
14 right of recoupment, claim, defense, termination, right of termination, or remedy
15 under the promissory note, health-care-insurance receivable, or general intangible.

16 (b) Subsection (a) applies to a security interest in a payment intangible or
17 promissory note only if the security interest arises out of a sale of the payment
18 intangible or promissory note, **OTHER THAN A SALE PURSUANT TO A DISPOSITION**
19 **UNDER § 9-610 OR AN ACCEPTANCE OF COLLATERAL UNDER § 9-620.**

20 9-503.

21 (a) A financing statement sufficiently provides the name of the debtor:

22 (1) **[If EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (3), IF**
23 **the debtor is a registered organization OR THE COLLATERAL IS HELD IN A TRUST**
24 **THAT IS A REGISTERED ORGANIZATION, only if the financing statement provides**
25 **the name [of the debtor indicated] THAT IS STATED TO BE THE REGISTERED**
26 **ORGANIZATION'S NAME on the public ORGANIC record [of] MOST RECENTLY FILED**
27 **WITH OR ISSUED OR ENACTED BY the [debtor's] REGISTERED ORGANIZATION'S**
28 **jurisdiction of organization which [shows the debtor to have been organized]**
29 **PURPORTS TO STATE, AMEND, OR RESTATE THE REGISTERED ORGANIZATION'S**
30 **NAME;**

31 (2) **[If SUBJECT TO SUBSECTION (F), IF the [debtor is a decedent's**
32 **estate] COLLATERAL IS BEING ADMINISTERED BY THE PERSONAL**
33 **REPRESENTATIVE OF A DECEDENT, only if the financing statement provides, AS**
34 **THE NAME OF THE DEBTOR, the name of the decedent and, IN A SEPARATE PART**
35 **OF THE FINANCING STATEMENT, indicates that the [debtor is an estate]**
36 **COLLATERAL IS BEING ADMINISTERED BY A PERSONAL REPRESENTATIVE;**

1 (3) If the [debtor is a trust or a trustee acting with respect to property
2 held in trust, only if the financing statement:

3 (A) Provides the name specified for the trust in its organic
4 documents or, if no name is specified, provides the name of the settlor and additional
5 information sufficient to distinguish the debtor from other trusts having one or more
6 of the same settlors; and

7 (B) Indicates, in the debtor's name or otherwise, that the debtor
8 is a trust or is a trustee acting with respect to property held in trust; and]
9 **COLLATERAL IS HELD IN A TRUST THAT IS NOT A REGISTERED ORGANIZATION,**
10 **ONLY IF THE FINANCING STATEMENT:**

11 **(A) PROVIDES, AS THE NAME OF THE DEBTOR:**

12 **(I) IF THE ORGANIC RECORD OF THE TRUST**
13 **SPECIFIES A NAME FOR THE TRUST, THE NAME SPECIFIED; OR**

14 **(II) IF THE ORGANIC RECORD OF THE TRUST DOES**
15 **NOT SPECIFY A NAME FOR THE TRUST, THE NAME OF THE SETTLOR OR**
16 **TESTATOR; AND**

17 **(B) IN A SEPARATE PART OF THE FINANCING STATEMENT:**

18 **(I) IF THE NAME IS PROVIDED IN ACCORDANCE WITH**
19 **SUBPARAGRAPH (A)(I), INDICATES THAT THE COLLATERAL IS HELD IN A TRUST;**
20 **OR**

21 **(II) IF THE NAME IS PROVIDED IN ACCORDANCE WITH**
22 **SUBPARAGRAPH (A)(II), PROVIDES ADDITIONAL INFORMATION SUFFICIENT TO**
23 **DISTINGUISH THE TRUST FROM OTHER TRUSTS HAVING ONE OR MORE OF THE**
24 **SAME SETTLORS OR THE SAME TESTATOR AND INDICATES THAT THE**
25 **COLLATERAL IS HELD IN A TRUST, UNLESS THE ADDITIONAL INFORMATION SO**
26 **INDICATES;**

27 (4) IF THE DEBTOR IS AN INDIVIDUAL, ONLY IF THE FINANCING
28 STATEMENT:

29 **(A) PROVIDES THE INDIVIDUAL NAME OF THE DEBTOR;**

30 **(B) PROVIDES THE SURNAME AND FIRST PERSONAL NAME**
31 **OF THE DEBTOR; OR**

1 **(C) SUBJECT TO SUBSECTION (G), PROVIDES THE NAME OF**
2 **THE INDIVIDUAL WHICH IS INDICATED ON A DRIVER'S LICENSE OR**
3 **IDENTIFICATION CARD THAT THIS STATE HAS ISSUED TO THE INDIVIDUAL AND**
4 **WHICH HAS NOT EXPIRED; AND**

5 **[(4)] (5)** In other cases:

6 **(A)** If the debtor has a name, only if **[it] THE FINANCING**
7 **STATEMENT** provides the **[individual or]** organizational name of the debtor; and

8 **(B)** If the debtor does not have a name, only if **[it] THE**
9 **FINANCING STATEMENT** provides the names of the partners, members, associates, or
10 other persons comprising the debtor, **IN A MANNER THAT EACH NAME PROVIDED**
11 **WOULD BE SUFFICIENT IF THE PERSON NAMED WERE THE DEBTOR.**

12 **(b)** A financing statement that provides the name of the debtor in accordance
13 with subsection (a) of this section is not rendered ineffective by the absence of:

14 **(1)** A trade name or other name of the debtor; or

15 **(2)** Unless required under subsection **[(a)(4)(B)] (A)(5)(B)**, names of
16 partners, members, associates, or other persons comprising the debtor.

17 **(F) THE NAME OF THE DECEDENT INDICATED ON THE ORDER**
18 **APPOINTING THE PERSONAL REPRESENTATIVE OF THE DECEDENT ISSUED BY**
19 **THE COURT HAVING JURISDICTION OVER THE COLLATERAL IS SUFFICIENT AS**
20 **THE "NAME OF THE DECEDENT" UNDER SUBSECTION (A)(2).**

21 **(G) IF THIS STATE HAS ISSUED TO AN INDIVIDUAL MORE THAN ONE**
22 **DRIVER'S LICENSE OR IDENTIFICATION CARD OF A KIND DESCRIBED IN**
23 **SUBSECTION (A)(4)(C), THE ONE THAT WAS ISSUED MOST RECENTLY IS THE ONE**
24 **TO WHICH SUBSECTION (A)(4)(C) REFERS.**

25 **(H) IN THIS SECTION, THE "NAME OF THE SETTLOR OR TESTATOR"**
26 **MEANS:**

27 **(1) IF THE SETTLOR IS A REGISTERED ORGANIZATION, THE NAME**
28 **THAT IS STATED TO BE THE SETTLOR'S NAME ON THE PUBLIC ORGANIC RECORD**
29 **MOST RECENTLY FILED WITH OR ISSUED OR ENACTED BY THE SETTLOR'S**
30 **JURISDICTION OF ORGANIZATION WHICH PURPORTS TO STATE, AMEND, OR**
31 **RESTATE THE SETTLOR'S NAME; OR**

32 **(2) IN OTHER CASES, THE NAME OF THE SETTLOR OR TESTATOR**
33 **INDICATED IN THE TRUST'S ORGANIC RECORD.**

1 9–507.

2 (a) A filed financing statement remains effective with respect to collateral
3 that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a
4 security interest or agricultural lien continues, even if the secured party knows of or
5 consents to the disposition.

6 (b) Except as otherwise provided in subsection (c) and § 9–508, a financing
7 statement is not rendered ineffective if, after the financing statement is filed, the
8 information provided in the financing statement becomes seriously misleading under §
9 9–506.

10 (c) If [a debtor so changes its] **THE** name that a filed financing statement
11 **PROVIDES FOR A DEBTOR** becomes **INSUFFICIENT AS THE NAME OF THE DEBTOR**
12 **UNDER § 9–503(A) SO THAT THE FINANCING STATEMENT BECOMES** seriously
13 misleading under § 9–506:

14 (1) The financing statement is effective to perfect a security interest in
15 collateral acquired by the debtor before, or within four months after, the [change]
16 **FILED FINANCING STATEMENT BECOMES SERIOUSLY MISLEADING**; and

17 (2) The financing statement is not effective to perfect a security
18 interest in collateral acquired by the debtor more than four months after the [change]
19 **FILED FINANCING STATEMENT BECOMES SERIOUSLY MISLEADING**, unless an
20 amendment to the financing statement which renders the financing statement not
21 seriously misleading is filed within four months after the [change] **FINANCING**
22 **STATEMENT BECAME SERIOUSLY MISLEADING**.

23 9–515.

24 (f) If a debtor is a transmitting utility and a filed **INITIAL** financing
25 statement so indicates, the financing statement is effective until a termination
26 statement is filed.

27 9–516.

28 (a) Except as otherwise provided in subsection (b), communication of a record
29 to a filing office and tender of the filing fee or acceptance of the record by the filing
30 office constitutes filing.

31 (b) Filing does not occur with respect to a record that a filing office refuses to
32 accept because:

33 (1) The record is not communicated by a method or medium of
34 communication authorized by the filing office;

1 (2) An amount equal to or greater than the applicable filing fee is not
2 tendered;

3 (3) The filing office is unable to index the record because:

4 (A) In the case of an initial financing statement, the record does
5 not provide a name for the debtor;

6 (B) In the case of an amendment or **[correction] INFORMATION**
7 statement, the record:

8 (i) Does not identify the initial financing statement as
9 required by § 9–512 or § 9–518, as applicable; or

10 (ii) Identifies an initial financing statement whose
11 effectiveness has lapsed under § 9–515;

12 (C) In the case of an initial financing statement that provides
13 the name of a debtor identified as an individual or an amendment that provides a
14 name of a debtor identified as an individual which was not previously provided in the
15 financing statement to which the record relates, the record does not identify the
16 debtor's **[last name] SURNAME**; or

17 (D) In the case of a record filed or recorded in the filing office
18 described in § 9–501(a)(1), the record does not provide a sufficient description of the
19 real property to which it relates;

20 (4) In the case of an initial financing statement or an amendment that
21 adds a secured party of record, the record does not provide a name and mailing
22 address for the secured party of record;

23 (5) In the case of an initial financing statement or an amendment that
24 provides a name of a debtor which was not previously provided in the financing
25 statement to which the amendment relates, the record does not:

26 (A) Provide a mailing address for the debtor; **OR**

27 (B) Indicate whether the **NAME PROVIDED AS THE NAME OF**
28 **THE** debtor is **THE NAME OF** an individual or an organization; **[or**

29 (C) If the financing statement indicates that the debtor is an
30 organization, provide:

31 (i) A type of organization for the debtor;

32 (ii) A jurisdiction of organization for the debtor; or

1 (iii) An organizational identification number for the
2 debtor or indicate that the debtor has none;]

3 (6) In the case of an assignment reflected in an initial financing
4 statement under § 9–514(a) or an amendment filed under § 9–514(b), the record does
5 not provide a name and mailing address for the assignee;

6 (7) In the case of a continuation statement, the record is not filed
7 within the six–month period prescribed by § 9–515(d); or

8 (8) The information required by § 9–502(e) is not provided or
9 recordation tax payable is not tendered with the financing statement.

10 (c) For purposes of subsection (b):

11 (1) A record does not provide information if the filing office is unable
12 to read or decipher the information; and

13 (2) A record that does not indicate that it is an amendment or identify
14 an initial financing statement to which it relates, as required by § 9–512, § 9–514, or §
15 9–518, is an initial financing statement.

16 (d) A record that is communicated to the filing office with tender of the filing
17 fee, but which the filing office refuses to accept for a reason other than one set forth in
18 subsection (b), is effective as a filed record except as against a purchaser of the
19 collateral which gives value in reasonable reliance upon the absence of the record from
20 the files.

21 9–518.

22 (a) A person may file in the filing office [a correction] **AN INFORMATION**
23 statement with respect to a record indexed there under the person’s name if the person
24 believes that the record is inaccurate or was wrongfully filed.

25 (b) [A correction] **AN INFORMATION** statement **UNDER SUBSECTION (A)**
26 must:

27 (1) Identify the record to which it relates by:

28 (A) The file number assigned to the initial financing statement
29 to which the record relates; and

30 (B) If the [correction] **INFORMATION** statement relates to a
31 record recorded in a filing office described in § 9–501(a)(1), the date and time that the
32 initial financing statement was recorded and the information specified in § 9–502(b);

1 (2) Indicate that it is [a correction] AN INFORMATION statement; and

2 (3) Provide the basis for the person's belief that the record is
3 inaccurate and indicate the manner in which the person believes the record should be
4 amended to cure any inaccuracy or provide the basis for the person's belief that the
5 record was wrongfully filed.

6 (C) A PERSON MAY FILE IN THE FILING OFFICE AN INFORMATION
7 STATEMENT WITH RESPECT TO A RECORD FILED THERE IF THE PERSON IS A
8 SECURED PARTY OF RECORD WITH RESPECT TO THE FINANCING STATEMENT TO
9 WHICH THE RECORD RELATES AND BELIEVES THAT THE PERSON THAT FILED
10 THE RECORD WAS NOT ENTITLED TO DO SO UNDER § 9-509(D).

11 (D) AN INFORMATION STATEMENT UNDER SUBSECTION (C) SHALL:

12 (1) IDENTIFY THE RECORD TO WHICH IT RELATES BY:

13 (A) THE FILE NUMBER ASSIGNED TO THE INITIAL
14 FINANCING STATEMENT TO WHICH THE RECORD RELATES; AND

15 (B) IF THE INFORMATION STATEMENT RELATES TO A
16 RECORD RECORDED IN A FILING OFFICE DESCRIBED IN § 9-501(A)(1), THE DATE
17 AND TIME THAT THE INITIAL FINANCING STATEMENT WAS RECORDED AND THE
18 INFORMATION SPECIFIED IN § 9-502(B);

19 (2) INDICATE THAT IT IS AN INFORMATION STATEMENT; AND

20 (3) PROVIDE THE BASIS FOR THE PERSON'S BELIEF THAT THE
21 PERSON THAT FILED THE RECORD WAS NOT ENTITLED TO DO SO UNDER §
22 9-509(D).

23 [(c)] (E) The filing of [a correction] AN INFORMATION statement does not
24 affect the effectiveness of an initial financing statement or other filed record.

25 9-521.

26 A filing office that accepts written records may not refuse to accept a written
27 initial financing statement, [financing statement] addendum, [financing statement]
28 OR amendment[, and financing statement amendment addendum,] in the form and
29 format [as produced for national use by the National Conference of Commissioners on
30 Uniform State Laws] SET FORTH IN THE OFFICIAL TEXT OF THE 2010
31 AMENDMENTS TO ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE
32 PROMULGATED BY THE AMERICAN LAW INSTITUTE AND THE UNIFORM LAW
33 COMMISSION, except for a reason set forth in § 9-516(b).

1 9-607.

2 (a) If so agreed, and in any event after default, a secured party:

3 (3) May enforce the obligations of an account debtor or other person
4 obligated on collateral and exercise the rights of the debtor with respect to the
5 obligation of the account debtor or other person obligated on collateral to make
6 payment or otherwise render performance to the debtor, and with respect to any
7 property that secures the obligations of the account debtor or other person obligated on
8 the collateral;

9 (b) If necessary to enable a secured party to exercise under subsection (a)(3)
10 the right of a debtor to enforce a mortgage nonjudicially, the secured party may record
11 in the office in which a record of the mortgage is recorded:

12 (1) A copy of the security agreement that creates or provides for a
13 security interest in the obligation secured by the mortgage; and

14 (2) The secured party's sworn affidavit in recordable form stating that:

15 (A) A default has occurred **WITH RESPECT TO THE**
16 **OBLIGATION SECURED BY THE MORTGAGE**; and

17 (B) The secured party is entitled to enforce the mortgage
18 nonjudicially.

19 **SUBTITLE 8. TRANSITION PROVISIONS FOR 2012 AMENDMENTS.**

20 **9-801. DEFINED TERMS.**

21 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

23 (B) **"ACT" MEANS CHAPTER _____ (S.B._____/H.B._____) (2LR1169/
24 2LR1648) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2012.**

25 (C) **"PRE-EFFECTIVE-DATE FINANCING STATEMENT" MEANS A**
26 **FINANCING STATEMENT FILED BEFORE THE EFFECTIVE DATE OF THE ACT.**

27 **9-802. EFFECTIVE DATE.**

28 **THE ACT TAKES EFFECT ON JULY 1, 2013.**

29 **9-803. SAVINGS CLAUSE.**

1 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE ACT
2 APPLIES TO A TRANSACTION OR LIEN WITHIN ITS SCOPE, EVEN IF THE
3 TRANSACTION OR LIEN WAS ENTERED INTO OR CREATED BEFORE THE ACT
4 TAKES EFFECT.

5 (B) THE ACT DOES NOT AFFECT AN ACTION, CASE, OR PROCEEDING
6 COMMENCED BEFORE THE ACT TAKES EFFECT.

7 **9-804. SECURITY INTEREST PERFECTED BEFORE EFFECTIVE DATE.**

8 (A) A SECURITY INTEREST THAT IS A PERFECTED SECURITY INTEREST
9 IMMEDIATELY BEFORE THE ACT TAKES EFFECT IS A PERFECTED SECURITY
10 INTEREST UNDER THIS TITLE, AS AMENDED BY THE ACT, IF, WHEN THE ACT
11 TAKES EFFECT, THE APPLICABLE REQUIREMENTS FOR ATTACHMENT AND
12 PERFECTION UNDER THIS TITLE, AS AMENDED BY THE ACT, ARE SATISFIED
13 WITHOUT FURTHER ACTION.

14 (B) EXCEPT AS OTHERWISE PROVIDED IN § 9-806, IF, IMMEDIATELY
15 BEFORE THE ACT TAKES EFFECT, A SECURITY INTEREST IS A PERFECTED
16 SECURITY INTEREST, BUT THE APPLICABLE REQUIREMENTS FOR PERFECTION
17 UNDER THIS TITLE, AS AMENDED BY THE ACT, ARE NOT SATISFIED WHEN THE
18 ACT TAKES EFFECT, THE SECURITY INTEREST REMAINS PERFECTED
19 THEREAFTER ONLY IF THE APPLICABLE REQUIREMENTS FOR PERFECTION
20 UNDER THIS TITLE, AS AMENDED BY THE ACT, ARE SATISFIED WITHIN ONE YEAR
21 AFTER THE ACT TAKES EFFECT.

22 **9-805. SECURITY INTEREST UNPERFECTED BEFORE EFFECTIVE DATE.**

23 A SECURITY INTEREST THAT IS AN UNPERFECTED SECURITY INTEREST
24 IMMEDIATELY BEFORE THE ACT TAKES EFFECT BECOMES A PERFECTED
25 SECURITY INTEREST:

26 (1) WITHOUT FURTHER ACTION, WHEN THE ACT TAKES EFFECT
27 IF THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS TITLE, AS
28 AMENDED BY THE ACT, ARE SATISFIED BEFORE OR AT THAT TIME; OR

29 (2) WHEN THE APPLICABLE REQUIREMENTS FOR PERFECTION
30 ARE SATISFIED IF THE REQUIREMENTS ARE SATISFIED AFTER THAT TIME.

31 **9-806. EFFECTIVENESS OF ACTION TAKEN BEFORE EFFECTIVE DATE.**

1 **(A) THE FILING OF A FINANCING STATEMENT BEFORE THE ACT TAKES**
2 **EFFECT IS EFFECTIVE TO PERFECT A SECURITY INTEREST TO THE EXTENT THE**
3 **FILING WOULD SATISFY THE APPLICABLE REQUIREMENTS FOR PERFECTION**
4 **UNDER THIS TITLE, AS AMENDED BY THE ACT.**

5 **(B) THE ACT DOES NOT RENDER INEFFECTIVE AN EFFECTIVE**
6 **FINANCING STATEMENT THAT, BEFORE THE ACT TAKES EFFECT, IS FILED AND**
7 **SATISFIES THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THE LAW**
8 **OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS TITLE AS**
9 **IT EXISTED BEFORE THE EFFECTIVE DATE OF THE ACT. HOWEVER, EXCEPT AS**
10 **OTHERWISE PROVIDED IN SUBSECTIONS (C) AND (D) AND § 9-807, THE**
11 **FINANCING STATEMENT CEASES TO BE EFFECTIVE:**

12 **(1) IF THE FINANCING STATEMENT IS FILED IN THIS STATE, AT**
13 **THE TIME THE FINANCING STATEMENT WOULD HAVE CEASED TO BE EFFECTIVE**
14 **HAD THE ACT NOT TAKEN EFFECT; OR**

15 **(2) IF THE FINANCING STATEMENT IS FILED IN ANOTHER**
16 **JURISDICTION, AT THE EARLIER OF:**

17 **(A) THE TIME THE FINANCING STATEMENT WOULD HAVE**
18 **CEASED TO BE EFFECTIVE UNDER THE LAW OF THAT JURISDICTION; OR**

19 **(B) JUNE 30, 2018.**

20 **(C) THE FILING OF A CONTINUATION STATEMENT AFTER THE ACT**
21 **TAKES EFFECT DOES NOT CONTINUE THE EFFECTIVENESS OF A FINANCING**
22 **STATEMENT FILED BEFORE THE ACT TAKES EFFECT. HOWEVER, ON THE**
23 **TIMELY FILING OF A CONTINUATION STATEMENT AFTER THE ACT TAKES**
24 **EFFECT AND IN ACCORDANCE WITH THE LAW OF THE JURISDICTION GOVERNING**
25 **PERFECTION AS PROVIDED IN THIS TITLE, AS AMENDED BY THE ACT, THE**
26 **EFFECTIVENESS OF A FINANCING STATEMENT FILED IN THE SAME OFFICE IN**
27 **THAT JURISDICTION BEFORE THE ACT TAKES EFFECT CONTINUES FOR THE**
28 **PERIOD PROVIDED BY THE LAW OF THAT JURISDICTION.**

29 **(D) SUBSECTION (B)(2)(B) APPLIES TO A FINANCING STATEMENT THAT,**
30 **BEFORE THE ACT TAKES EFFECT, IS FILED AGAINST A TRANSMITTING UTILITY**
31 **AND SATISFIES THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THE**
32 **LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS**
33 **TITLE AS IT EXISTED BEFORE THE EFFECTIVE DATE OF THE ACT, ONLY TO THE**
34 **EXTENT THAT THIS TITLE, AS AMENDED BY THE ACT, PROVIDES THAT THE LAW**
35 **OF A JURISDICTION OTHER THAN THE JURISDICTION IN WHICH THE FINANCING**

1 STATEMENT IS FILED GOVERNS PERFECTION OF A SECURITY INTEREST IN
2 COLLATERAL COVERED BY THE FINANCING STATEMENT.

3 (E) A FINANCING STATEMENT THAT INCLUDES A FINANCING
4 STATEMENT FILED BEFORE THE ACT TAKES EFFECT AND A CONTINUATION
5 STATEMENT FILED AFTER THE ACT TAKES EFFECT IS EFFECTIVE ONLY TO THE
6 EXTENT THAT IT SATISFIES THE REQUIREMENTS OF SUBTITLE 5, AS AMENDED
7 BY THE ACT, FOR AN INITIAL FINANCING STATEMENT. A FINANCING STATEMENT
8 THAT INDICATES THAT THE DEBTOR IS A DECEDENT'S ESTATE INDICATES THAT
9 THE COLLATERAL IS BEING ADMINISTERED BY A PERSONAL REPRESENTATIVE
10 WITHIN THE MEANING OF § 9-503(A)(2), AS AMENDED BY THE ACT. A
11 FINANCING STATEMENT THAT INDICATES THAT THE DEBTOR IS A TRUST OR IS A
12 TRUSTEE ACTING WITH RESPECT TO PROPERTY HELD IN TRUST INDICATES
13 THAT THE COLLATERAL IS HELD IN A TRUST WITHIN THE MEANING OF §
14 9-503(A)(3), AS AMENDED BY THE ACT.

15 9-807. WHEN INITIAL FINANCING STATEMENT SUFFICES TO CONTINUE
16 EFFECTIVENESS OF FINANCING STATEMENT.

17 (A) THE FILING OF AN INITIAL FINANCING STATEMENT IN THE OFFICE
18 SPECIFIED IN § 9-501 CONTINUES THE EFFECTIVENESS OF A
19 PRE-EFFECTIVE-DATE FINANCING STATEMENT IF:

20 (1) THE FILING OF AN INITIAL FINANCING STATEMENT IN THAT
21 OFFICE WOULD BE EFFECTIVE TO PERFECT A SECURITY INTEREST UNDER THIS
22 TITLE, AS AMENDED BY THE ACT;

23 (2) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT WAS
24 FILED IN AN OFFICE IN ANOTHER STATE; AND

25 (3) THE INITIAL FINANCING STATEMENT SATISFIES SUBSECTION
26 (C).

27 (B) THE FILING OF AN INITIAL FINANCING STATEMENT UNDER
28 SUBSECTION (A) CONTINUES THE EFFECTIVENESS OF THE
29 PRE-EFFECTIVE-DATE FINANCING STATEMENT:

30 (1) IF THE INITIAL FINANCING STATEMENT IS FILED BEFORE THE
31 ACT TAKES EFFECT, FOR THE PERIOD PROVIDED IN § 9-515, AS IT EXISTED
32 BEFORE THE ACT TAKES EFFECT, WITH RESPECT TO AN INITIAL FINANCING
33 STATEMENT; AND

1 **(2) IF THE INITIAL FINANCING STATEMENT IS FILED AFTER THE**
2 **ACT TAKES EFFECT, FOR THE PERIOD PROVIDED IN § 9-515, AS AMENDED BY**
3 **THE ACT, WITH RESPECT TO AN INITIAL FINANCING STATEMENT.**

4 **(C) TO BE EFFECTIVE FOR PURPOSES OF SUBSECTION (A), AN INITIAL**
5 **FINANCING STATEMENT MUST:**

6 **(1) SATISFY THE REQUIREMENTS OF SUBTITLE 5, AS AMENDED**
7 **BY THE ACT, FOR AN INITIAL FINANCING STATEMENT;**

8 **(2) IDENTIFY THE PRE-EFFECTIVE-DATE FINANCING STATEMENT**
9 **BY INDICATING THE OFFICE IN WHICH THE FINANCING STATEMENT WAS FILED**
10 **AND PROVIDING THE DATES OF FILING AND FILE NUMBERS, IF ANY, OF THE**
11 **FINANCING STATEMENT AND OF THE MOST RECENT CONTINUATION STATEMENT**
12 **FILED WITH RESPECT TO THE FINANCING STATEMENT; AND**

13 **(3) INDICATE THAT THE PRE-EFFECTIVE-DATE FINANCING**
14 **STATEMENT REMAINS EFFECTIVE.**

15 **9-808. AMENDMENT OF PRE-EFFECTIVE-DATE FINANCING STATEMENT.**

16 **(A) AFTER THE ACT TAKES EFFECT, A PERSON MAY ADD OR DELETE**
17 **COLLATERAL COVERED BY, CONTINUE OR TERMINATE THE EFFECTIVENESS OF,**
18 **OR OTHERWISE AMEND THE INFORMATION PROVIDED IN, A**
19 **PRE-EFFECTIVE-DATE FINANCING STATEMENT ONLY IN ACCORDANCE WITH**
20 **THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS**
21 **TITLE, AS AMENDED BY THE ACT. HOWEVER, THE EFFECTIVENESS OF A**
22 **PRE-EFFECTIVE-DATE FINANCING STATEMENT ALSO MAY BE TERMINATED IN**
23 **ACCORDANCE WITH THE LAW OF THE JURISDICTION IN WHICH THE FINANCING**
24 **STATEMENT IS FILED.**

25 **(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C), IF THE LAW**
26 **OF THIS STATE GOVERNS PERFECTION OF A SECURITY INTEREST, THE**
27 **INFORMATION IN A PRE-EFFECTIVE-DATE FINANCING STATEMENT MAY BE**
28 **AMENDED AFTER THE ACT TAKES EFFECT ONLY IF:**

29 **(1) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT AND AN**
30 **AMENDMENT ARE FILED IN THE OFFICE SPECIFIED IN § 9-501;**

31 **(2) AN AMENDMENT IS FILED IN THE OFFICE SPECIFIED IN §**
32 **9-501 CONCURRENTLY WITH, OR AFTER THE FILING IN THAT OFFICE OF, AN**
33 **INITIAL FINANCING STATEMENT THAT SATISFIES § 9-807(C); OR**

1 **(3) AN INITIAL FINANCING STATEMENT THAT PROVIDES THE**
2 **INFORMATION AS AMENDED AND SATISFIES § 9-807(C) IS FILED IN THE OFFICE**
3 **SPECIFIED IN § 9-501.**

4 **(C) IF THE LAW OF THIS STATE GOVERNS PERFECTION OF A SECURITY**
5 **INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE FINANCING**
6 **STATEMENT MAY BE CONTINUED ONLY UNDER § 9-806(C) AND (E) OR § 9-807.**

7 **(D) WHETHER OR NOT THE LAW OF THIS STATE GOVERNS PERFECTION**
8 **OF A SECURITY INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE**
9 **FINANCING STATEMENT FILED IN THIS STATE MAY BE TERMINATED AFTER THE**
10 **ACT TAKES EFFECT BY FILING A TERMINATION STATEMENT IN THE OFFICE IN**
11 **WHICH THE PRE-EFFECTIVE-DATE FINANCING STATEMENT IS FILED, UNLESS**
12 **AN INITIAL FINANCING STATEMENT THAT SATISFIES § 9-807(C) HAS BEEN FILED**
13 **IN THE OFFICE SPECIFIED BY THE LAW OF THE JURISDICTION GOVERNING**
14 **PERFECTION AS PROVIDED IN THIS TITLE, AS AMENDED BY THE ACT, AS THE**
15 **OFFICE IN WHICH TO FILE A FINANCING STATEMENT.**

16 **9-809. PERSON ENTITLED TO FILE INITIAL FINANCING STATEMENT OR**
17 **CONTINUATION STATEMENT.**

18 **A PERSON MAY FILE AN INITIAL FINANCING STATEMENT OR A**
19 **CONTINUATION STATEMENT UNDER THIS SUBTITLE IF:**

20 **(1) THE SECURED PARTY OF RECORD AUTHORIZES THE FILING;**
21 **AND**

22 **(2) THE FILING IS NECESSARY UNDER THIS SUBTITLE:**

23 **(A) TO CONTINUE THE EFFECTIVENESS OF A FINANCING**
24 **STATEMENT FILED BEFORE THE ACT TAKES EFFECT; OR**

25 **(B) TO PERFECT OR CONTINUE THE PERFECTION OF A**
26 **SECURITY INTEREST.**

27 **9-810. PRIORITY.**

28 **THE ACT DETERMINES THE PRIORITY OF CONFLICTING CLAIMS TO**
29 **COLLATERAL. HOWEVER, IF THE RELATIVE PRIORITIES OF THE CLAIMS WERE**
30 **ESTABLISHED BEFORE THE ACT TAKES EFFECT, THIS TITLE, AS IT EXISTED**
31 **BEFORE THE ACT TAKES EFFECT, DETERMINES PRIORITY.**

32 **SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect**
33 **July 1, 2013.**