

## CHAPTER 688

(Senate Bill 496)

AN ACT to repeal Sections 3-202(b), 3-203, 3-204(b) and 3-205(a) of Article 66 1/2 of the Annotated Code of Maryland (1972 Supplement), title "Vehicle Laws," subtitle "Certificates of Title and Registration of Vehicles," subheading "Security Interests," and to enact new Sections 3-202(b), 3-203, 3-204(b) and 3-205(a) in lieu thereof, to stand in the place of the sections repealed; to repeal and re-enact, with amendments, Section 3-205(b) of the same Article, Code, title, subtitle and subheading; and to add new Section 3-205A to the same article, title, subtitle and subheading, to follow immediately after Section 3-205 thereof; to provide for central filing of security interests in motor vehicles titled by the State Motor Vehicle Administration and to authorize the State Motor Vehicle Administration to issue the regulations necessary for central filing of security interests in motor vehicles, and generally relating to filing of security interests in vehicles, filing fees and credits to certain agencies, time limitations, and other administrative procedures involving sales of vehicles and subsequent recordation of security interests.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 3-202(b), 3-203, 3-204(b) and 3-205(a) of Article 66 1/2 of the Annotated Code of Maryland (1972 Supplement), title "Vehicle Laws," subtitle "Certificates of Title and Registration of Vehicles," subheading "Security Interests," be and they are hereby repealed and that new Sections 3-202(b), 3-203, 3-204(b) and 3-205(a) be and they are hereby enacted in lieu thereof, to stand in the place of the sections repealed; and that Section 3-205(b) of the same Article, title, Code, subtitle and subheading, be and it is hereby repealed and re-enacted, with amendments; and that new Section 3-205A be and it is hereby added to the same Article, Code, title, subtitle and subheading, to follow immediately after Section 3-205 thereof, and all to read as follows:

## [3-202.

(b) A security interest is perfected by the delivery to the Department of the existing certificate of title, if any, an application for certificate of title on a form provided or approved by the Department containing information regarding the security interest as may reasonably be required in the form, and upon payment of \$2.00 as a filing fee, which is in addition to all other fees applicable under this article, and within twenty-one (21) days thereafter by recording the lien in the record office of the clerk of the court in and for the jurisdiction in the place of residence of the owner of the vehicle as may be provided for in other applicable sections of this Code. The security interest is perfected as of the time of its creation if delivery and payment to the Department are completed within ten (10) days of the date of its creation and subsequent delivery and payment within twenty-one (21) days to the record office of the clerks of the courts, as hereinbefore provided, otherwise as of the time of its delivery and payment.

Notwithstanding the provisions of this part, security interests in vehicles owned by foreign corporations shall be perfected in a manner prescribed in § 9-401 (b) of Article 95B--Uniform Commercial Code.

## 3-203.

If an owner creates a security interest in a vehicle:

1. The owner immediately shall execute the application in the space provided therefor on the certificate of title or on a separate form the Department prescribes, naming the secured party on the certificate of title, showing the name and address