

Annotated Code of Maryland  
(1975 Volume and 1984 Supplement)

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

Article - Commercial Law

9-307.

~~(1)~~ (A) A buyer in ordinary course of business (subsection (9) of § 1-201) other than a person buying farm products from a person engaged in farming operations takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence.

~~(B) EVEN IF THE SECURITY INTEREST IS PERFECTED AND THE BUYER KNOWS OF ITS EXISTENCE, A BUYER OF FARM PRODUCTS WHO, IN THE ORDINARY COURSE OF BUSINESS, BUYS FROM A PERSON ENGAGED IN FARMING OPERATIONS TAKES FREE OF ANY SECURITY INTEREST CREATED BY THE SELLER IF:~~

~~(1) WITHIN 30 DAYS OF BUYING FARM PRODUCTS, THE BUYER REGISTERS WITH THE SECRETARY OF AGRICULTURE FOR THE PURPOSE OF RECEIVING NOTIFICATION OF ALL LIENS ON THE FARM PRODUCTS PERFECTED IN THE STATE IN EXCESS OF \$1,000,~~

~~(2) PAYS AN ANNUAL FILING FEE TO THE SECRETARY OF \$25, AND~~

~~(3) THE SECURED PARTY FAILS TO NOTIFY THE BUYER OF FARM PRODUCTS OF THE EXISTENCE OF THE LIEN, BY MAILING THE WRITTEN NOTICE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.~~

~~(C) THE WRITTEN NOTICE REQUIRED TO BE MAILED BY THE SECURED PARTY TO THE BUYER OF FARM PRODUCTS UNDER THIS SUBSECTION (B) OF THIS SECTION SHALL CONTAIN:~~

~~(1) THE FULL NAME AND ADDRESS OF THE DEBTOR,~~

~~(2) THE NAME AND ADDRESS OF THE SECURED PARTY,~~

~~(3) A DESCRIPTION OF THE FARM PRODUCTS THAT ARE SUBJECT TO A SECURITY INTEREST, ACTUAL OR CLAIMED,~~

~~(4) THE DATE AND SIGNATURE OF THE SECURED PARTY,~~

~~(5) THE SECURED PARTY'S, AND IF THE NOTICE IS SIGNED BY THE DEBTOR, THE DEBTOR'S INSTRUCTION THAT THE BUYER MAKE PAYMENT FOR THE FARM PRODUCTS JOINTLY TO THE DEBTOR AND TO THE SECURED PARTY OR TO SOME MUTUAL AGENT DESIGNATED BY THE DEBTOR AND THE SECURED PARTY, AND~~