the Maryland Uniform Commercial Code claims or rights to receive compensation for injuries or sickness under a workers' compensation claim, or damages received because of physical injuries or sickness, whether by suit or agreement. It also exempts income from a special needs trust for disabled individuals where all or part of the trust is paid to the State upon the death of the individual.

Senate Bill 631, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 888.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 888

AN ACT concerning

Commercial Law – Uniform Commercial Code – Secured Transactions – Scope

FOR the purpose of exempting certain claims or rights to receive compensation for injuries or sickness and certain claims or rights to receive benefits under certain special needs trusts from certain provisions governing the assignment of certain rights under Title 9 of the Maryland Uniform Commercial Code.

BY repealing and reenacting, with amendments,
   Article – Commercial Law
   Section 9–406 and 9–408
   Annotated Code of Maryland
   (1997 Replacement Volume and 2001 Supplement)

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

Article – Commercial Law

9–406.

(a)   Subject to subsections (b) through (j), an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(b)   Subject to subsection (h), notification is ineffective under subsection (a):

   (1)   If it does not reasonably identify the rights assigned;