

# MAINE STATE LEGISLATURE

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New Draft of: H. P. 1929, L. D. 2004  
SECOND REGULAR SESSION

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 2190**

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H. P. 2232

House of Representatives, March 14, 1978

Reported by Ms. Clark on Committee on Business Legislation Printed under  
Joint Rules No. 2.

EDWIN H. PERT, Clerk

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-EIGHT

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**AN ACT Relating to the Place of Filing Under the Uniform Commercial Code.**

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Be it enacted by the People of the State of Maine, as follows:

**Sec. 1.** 11 MRSA § 9-402, sub-§ (1), first sentence, as amended by PL 1977, c. 526, § 78, is further amended to read:

A financing statement is sufficient, if it gives the names of the debtors and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral; **provided that, for purposes of this section, if the collateral is a mobile home as defined in Title 10, section 1402, subsection 2, the description of collateral shall include the location designated by the debtor in the security agreement as the place at which the mobile home is, or is to be, located.**

**Sec. 2.** 11 MRSA § 9-407, sub-§ (2), as last amended by PL 1977, c. 526, § 94, is further amended by adding at the end the following new paragraphs:

**Notwithstanding the above, if the filing officer is a municipal clerk, his issuance of the certificate of information is discretionary.**

Upon reasonable request and within the existing ability of the office of the Secretary of State to respond, the filing officer shall furnish to any municipal clerk, without charge and for municipal purposes only, a copy of any filed financing statement, continuation statement, termination statement, statement of assignment or statement of release.

**Sec. 3. Reimbursement to municipal clerks and municipalities for revenue loss due to amendment of the Uniform Commercial Code**

1. **Statement of purpose.** Maine law requires municipal clerks to perform certain duties, including those relating to licensing and elections. Heretofore, the State has not specifically compensated them for the performance of these duties. Before January 1, 1978, part of the clerks' compensation and municipal revenues were derived from fees received for filing financing statements under the Uniform Commercial Code, Article 9. Certain changes in the law, effective January 1, 1978, may result in a significant decrease in the amount of these fees received by the clerks and municipalities. The purpose of this section is to reimburse the clerks and municipalities during the 1978 calendar year in an amount substantially equal to the amount of those fees that the clerks and municipalities would have received but for the changes in the law. Further, upon the recommendation of the Joint Standing Committee on Local and County Government, the Legislature shall determine an amount adequate to reimburse the clerks and municipalities during the first 6 months of the 1979 calendar year.

2. Reimbursement for revenue loss.

A. On June 15, 1978, the Treasurer of State shall disburse to each municipality an amount equal to 80% of the total fees received by the municipal clerk for filing financing statements under the Uniform Commercial Code, Article 9, during the first 6 months of the 1976 calendar year.

B. On December 15, 1978, the Treasurer of State shall disburse to each municipality an amount equal to 70% of the total fees received by the municipal clerk for filing financing statements under the Uniform Commercial Code, Article 9, during the 2nd 6 months of the 1976 calendar year.

C. On June 15, 1979, the Treasurer of State shall disburse to each municipality an amount to be determined by the Legislature upon the recommendation of the Joint Standing Committee on Local and County Government.

No municipality shall receive any moneys under this subsection unless and until the municipal clerk shall have filed with the Treasurer of State a certified audit statement of the filing fees received during the 1976 calendar year, or such other statement of the filing fees received during the 1976 calendar year as is satisfactory to the Treasurer of State.

3. Study. For the immediate purpose of enabling the Legislature to make the determination required by subsection 2, paragraph C, and for the additional purpose of devising a reasonable and appropriate method of compensating municipal clerks and municipalities in the future for their performance of certain duties required by the State, the Joint Standing Committee on Local and County Government is directed to study the duties which state law requires municipal clerks and municipalities to perform and methods by which the State might compensate them and to submit to the Legislature its findings and recommendations, including any proposed legislation.

**Sec. 4. Appropriation.** The following funds shall be appropriated from the General Fund to carry out the purposes of this Act:

	1978	1979
TREASURING DEPARTMENT		
Municipal Reimbursement	\$145,680	\$127,430

Fiscal Note

This bill provides for payments to municipalities based on filing fees received in 1976. A payment on June 15, 1978, would equal 80% of fees received in the first 6 months of 1976 and a payment on December 15, 1978, would equal 70% of fees received in the 2nd 6 months of 1976.

The appropriation is based on informal reports of municipal receipts in 1976. Actual payments may be slightly lower because some municipalities may not be able to document their receipts.

The above estimate for 1978-79 does not include the additional unspecified payment on June 15, 1979, because the amount of that payment has not yet been established by the Legislature.

The State expects to net at least \$144,350 annually in revenue to the General Fund from UCC filing fees which would have been paid to municipalities under filing requirements in effect prior to January 1978.

STATEMENT OF FACT

Effective January 1, 1978, UCC financing statements are no longer filed with municipal clerks but with the Secretary of State. The resulting loss of municipal revenues in the form of filing fees has had a significant impact on many municipal budgets and the incomes of unsalaried or only partly salaried municipal clerks. This bill is primarily intended to provide temporary compensation to municipal clerks whose incomes were directly and adversely affected by the change in place of filing. The bill does this by reimbursing municipalities during the 1978 calendar

year in an amount approximating the decrease in revenues caused by the change from local to centralized filing.

The bill directs the Joint Standing Committee on Local and County Government to study the duties which Maine law requires municipal clerks and municipalities to perform and methods of compensating them, and to recommend to the Legislature a method of compensating them in the future.

The bill also ensures that municipalities which have been using the information in UCC financing statements for tax, welfare or other municipal purposes will continue to have free access to such information through the Secretary of State.

Finally, the bill relieves a problem frequently encountered by file searchers when looking for security interests in a mobile home whose new owner has moved from the municipality where he was living when he bought the mobile home to another municipality where the mobile home was placed after its sale.