

## No Car registration is required by law

U.C.C. - ARTICLE 9 - SECURED TRANSACTIONS; SALES OF ACCOUNTS AND CHATTEL PAPER

### PART 1. SHORT TITLE, APPLICABILITY AND DEFINITIONS

§ 9-109. Classification of Goods: "Consumer Goods"; "Equipment"; "Farm Products"; "Inventory".

Goods are

(1) "consumer goods" if they are used or **bought for use primarily for personal**, family or household purposes;

(2) "equipment" if they are used or bought for use primarily in business (including farming or a profession) or by a debtor who is a non-profit organization or a governmental subdivision or agency or if the goods are not included in the definitions of inventory, farm products or consumer goods;

Relevant applicable stare decisis case cites relating directly to UCC 9-109:

"Under UCC §9-109 there is a real distinction between goods purchased for personal use and those purchased for business use. The two are mutually exclusive and the principal use to which the property is put should be considered as determinative." James Talcott, Inc. v Gee, 5 UCC Rep Serv 1028; 266 Cal.App.2d 384, 72 Cal.Rptr. 168 (1968).

"The classification of goods in UCC §9-109 are mutually exclusive." McFadden v Mercantile-Safe Deposit & Trust Co., 8 UCC Rep Serv 766; 260 Md 601, 273 A.2d 198 (1971).

**"Automobile purchased for the purpose of transporting buyer to and from his place of employment was "consumer goods" as defined in UCC §9-109."** Mallicoat v Volunteer Finance & Loan Corp., 3 UCC Rep Serv 1035; 415 S.W.2d 347 (Tenn. App., 1966).

"The provisions of UCC §2-316 of the Maryland UCC do not apply to sales of consumer goods (a term which includes automobiles, whether new or used, that are bought primarily for personal, family, or household use)." Maryland Independent Automobile Dealers Assoc., Inc. v Administrator, Motor Vehicle Admin., 25 UCC Rep Serv 699; 394 A.2d 820, 41 Md App 7 (1978).

Federal Case Law Confirms

IN RE BARNES

United States District Court,

D Maine, September 15, 1972

Bankruptcy No. BK 72-129ND, No. EK 72-13OND

**[9-109] Consumer goods - automobile for transportation to and from work.**

**The use of a vehicle by its owner for purposes of traveling to and from his employment is a personal, as opposed to a business use, as that term is used in UCC § 9-109(l), and the vehicle will be classified as consumer goods rather than equipment.**

The phraseology of § 9-109(2) defining equipment as goods used or bought for use primarily in business seems to contemplate a distinction between the use of collateral “in business” and the mere use of the collateral for some commercial, economic or income-producing purpose by one not engaged “in business.”

The appropriate filing place turns upon the classification of the collateral as consumer goods or equipment. The Uniform Commercial Code classifies goods as consumer goods

“ . . . if they are used or bought for use primarily for personal, family or household purposes. (2).  
Fn (2) 11 MRSA § 9-109(1).

**It is the court's opinion that the use of a vehicle by its owner for purposes of traveling to and from his employment is a “personal,” as opposed to a business use, as that term is used in UCC § 9-109 (1).** The phraseology of UCC § 9-109 (2), defining “equipment” as goods used or bought for use primarily “in business” seems to contemplate a distinction between the use of collateral “in business,” and the mere use of the collateral for some commercial, economic or income-producing purpose by one not engaged “in business.”

**Traveling to and from work is a PERSONAL use NOT a BUSINESS use!**

This ruling is consistent with the undisputed fact that **“The classification of goods is determined by its primary use”** (Barron’s Law Dictionary, Third Edition, 1991) and not by the type of goods, including, but not limited to, vehicles:

**CONSUMER GOODS ARE NOT REQUIRED TO BE REGISTERED!**

“A vehicle not used for commercial activity is a “consumer goods”, . . . **it is NOT a type of vehicle required to be registered and “use tax” paid of which the tab is evidence of receipt of the tax.**” Bank of Boston v. Jones, 4 UCC Rep. Serv. 1021, 236 A2d 484, UCC PP 9-109.14.

“Thus self-driven vehicles are classified according to the use to which they are put rather than according to the means by which they are propelled.” Ex Parte Hoffert, 148 NW 20.

“The Supreme Court, in Arthur v. Morgan, 112 U.S. 495, 5 S.Ct. 241, 28 L.Ed. 825, held that carriages were properly classified as household effects, **and we see no reason that automobiles should not be similarly disposed of.**” Hillhouse v United States, 152 F. 163, 164 (2nd Cir. 1907).

“A soldier's personal automobile is part of his “household goods[.]” U.S. v Bomar, C.A.5(Tex.),

8 F.3d 226, 235” 19A Words and Phrases - Permanent Edition (West) pocket part 94.

“... [T]he exemptions provided for in section 1 of the Motor Vehicle Transportation License Act of 1925 (Stats. 1925, p. 833) in favor of those who solely transport their own property or employees, or both, and of those who transport no persons or property for hire or compensation, by motor vehicle, have been determined in the Bacon Service Corporation case to be lawful exemptions. --In re Schmolke (1926) 199 Cal. 42, 46.

**“The right of a citizen to travel upon the public highways and to transport his property thereon in the ordinary course of life and business is a common right which he has under his right to enjoy life and liberty....** It includes the right in so doing to use the ordinary and usual conveyances of the day; and under existing modes of travel includes the right to drive a horse-drawn carriage or wagon thereon, or to operate an automobile thereon for the usual and ordinary purposes of life and business. It is not a mere privilege, like the privilege of moving a house in the street, operating a business stand in the street, or transporting persons or property for hire along the street, which the city may permit or prohibit at will.” --Thompson v. Smith, 154 S.E. 579.

**“In view of this rule a statutory provision that the supervising officials “may” exempt such persons when the transportation is not on a commercial basis means that they “must” exempt them.”** --State v. Johnson, 243 P. 1073; 60 C.J.S. section 94, page 581.

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