

FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 722

H.P. 538 House of Representatives, March 11, 1987 Reference to the Committee on Judiciary suggested and ordered printed.

EDWIN H. PERT, Clerk Presented by Representative HANLEY of Paris.

Cosponsored by Representative ANTHONY of South Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Establish the Uniform Premarital 1 Agreement Act. 2 3 4 Be it enacted by the People of the State of Maine as 5 follows: 6 19 MRSA c. 2 is enacted to read: 7 CHAPTER 2 8 UNIFORM PREMARITAL AGREEMENT ACT 9 §141. Short title 10 This chapter shall be known and may be cited as the "Uniform Premarital Agreement Act." 11 12 §142. Definitions

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l	As used in this Act, unless the context indicates
2 3	otherwise, the following terms have the following meanings.
4 5 6 7	1. Premarital agreement. "Premarital agreement" means an agreement between prospective spouses made in contemplation of marriage and to be effective upon marriage.
8 9 10 11	2. Property. "Property" means an interest, present or future, legal or equitable, vested or con- tingent, in real or personal property, including in- come and earnings.
12	§143. Formalities
13 14 15	A premarital agreement must be in writing and signed by both parties. It is enforceable without consideration.
16	§144. Content
17 18	Parties to a premarital agreement may contract with respect to:
19	1. Rights and obligations of each of the par-
20	ties. The rights and obligations of each of the par-
21	ties in any of the property of either or both of them
22	whenever and wherever acquired or located;
23	2. Right to buy, sell, use property. The right
24	to buy, sell, use, transfer, exchange abandon, lease,
25	consume, expend, assign, create a security interest
26	in, mortgage, encumber, dispose of or otherwise man-
27	age and control property;
28	3. Disposition of property. The disposition of
29	property upon separation, marital dissolution, death
30	or the occurrence or nonoccurrence of any other
31	event;
32	4. Spousal support. The modification or elimi-
33 ·	nation of spousal support;
34	5. Making of will. The making of a will, trust
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35	or other arrangement to carry out the provisions of the agreement;
50	the agreement;

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6. Death benefit. The ownership rights in and 1 2 disposition of the death benefit from a life insur-3 ance policy; 4 7. Choice of law. The choice of law governing 5 ° the construction of the agreement; and 6 8. Other matter. Any other matter, including 7 their personal rights and obligations, not in viola-8 tion of public policy or a law imposing a criminal 9 penalty. 10 The right of a child to support may not be adversely affected by a premarital agreement. 11 12 §145. Effect of marriage 13 A premarital agreement becomes effective upon 14 marriage. §146. Amendment; revocation 15 16 After marriage, a premarital agreement may be 17 amended or revoked only by a written agreement signed 18 by the parties. The amended agreement or the revoca-19 tion is enforceable without consideration. 20 §147. Enforcement 1. Not enforceable. A premarital agreement is 21 not enforceable if the party against whom enforcement 22 23 is sought proves that: 24 A. That party did not execute the agreement vol-25 untarily; or 26 B. The agreement was unconscionable when it was 27 executed and, before execution of the agreement, 28 that party: 29 (1) Was not provided a fair and reasonable 30 disclosure of the property or financial ob-31 ligations of the other party; 32 (2) Did not voluntarily and expressly 33 waive, in writing, any right to disclosure 34 of the property or financial obligations of

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the other party beyond the disclosure 1 pro-2 vided; and 3 (3) Did not have, or reasonably could not 4 have had, an adequate knowledge of the prop-5 erty or financial obligations of the other 6 party. 7 2. Support required. If a provision of a premarital agreement modifies or eliminates spousal 8 9 support and that modification or elimination causes 10 one party to the agreement to be eligible for support 11 under a program of public assistance at the time or separation of marital dissolution, a court, notwith-12 standing the terms of the agreement, may require the 13 14 other party to provide support to the extent neces-15 sary to avoid that eligibility. 16 3. Unconscionability. An issue of 17 unconscionability of a premarital agreement shall be 18 decided by the court as a matter of law. 19 §148. Enforcement; void marriage 20 If a marriage is determined to be void, an agree-21 ment that would otherwise have been a premarital 22 agreement is enforceable only to the extent necessary 23 to avoid an inequitable result. 24 §149. Limitation of actions Any statute of limitations applicable to an ac-25 26 tion asserting a claim for relief under a premarital 27 agreement is tolled during the marriage of the par-28 ties to the agreement. Equitable defenses limiting 29 the time for enforcement, including laches and estop-.30 pel, are available to either party. 31 §150. Application and construction

32 This Act shall be applied and construed to effec-33 tuate its general purpose to make uniform the law 34 with respect to the subject of this Act among states 35 enacting it.

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STATEMENT OF FACT

The number of marriages between persons previously married and the number of marriages between persons each of whom is intending to continue to pursue a career is steadily increasing. For these and other reasons, it is becoming more and more common for persons contemplating marriage to seek to resolve by agreement certain issues presented by the forthcoming marriage. Despite a lengthy legal history for these premarital agreements, there is a substantial uncertainty as to the enforceability of all, or a portion, of the provisions of these agreements and a significant lack of uniformity of treatment of these agreements among the states. The problems caused by this uncertainty and nonuniformity are greatly exacerbated by the mobility of our population. Nevertheless, this uncertainty and nonuniformity seem reflective not so much of basic policy differences between the not states but rather a result of spasmodic, reflexive response to varying factual circumstances at differ-Accordingly, uniform legislation conforment times. ing to modern social policy which provides both certainty and sufficient flexibility to accommodate different circumstances would appear to be both a significant improvement and a goal realistically capable of achievement.

This bill is intended to be relatively limited in scope. The Maine Revised Statutes, Title 19, section 142, defines a "premarital agreement" as an agreement between prosepctive spouses made in contemplation of marriage and to be effective upon marriage. Title 19, section 143, requires that a premarital agreement be in writing and signed by both parties. Title 19, section 145, provides that a premarital agreement becomes effective upon the marriage of the parties. These sections establish significant parameters. The bill does not deal with agreements between persons who live together but who do not contemplate marriage or who do not marry. Nor does the bill provide for postnuptial or separation agreements or with oral agreements.

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> On the other hand, agreements which are embraced by the Act are permitted to deal with a wide variety

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1 of.matters and Title 19, section 144, provides an il-2 lustrative list of those matters, including spousal 3 support, which may properly be dealt with in a 4 premarital agreement.

: 5 Title 19, section 147, is the key operative section of the Act and sets forth the conditions under 6 which a premarital agreement is not enforceable. 7 An agreement is not enforceable if the party against 8. · 9··· whom enforcement is sought proves that (a) he did not 10 execute the agreement voluntarily or that (b) the agreement was unconscionable when it was executed and 11 12 before execution of the agreement, he (1) was not 13 provided a fair and reasonable disclosure òf the property or financial obligations of the other party, 14 15 (2) did not voluntarily and expressly waive, in writ-16 any right to disclosure of the property or fiing, 17 nancial obligations of the other party beyond the disclosure provided, and (3) did not have, or reason-ably could not have had an adequate knowledge of the 18 . 19 property and financial obligations of the other par-20 21 ty.

22 these conditions are not proven, if a Even if 23 provision of a premarital agreement modifies or eliminates spousal support, and that modification 24 or elimination would cause a party to be eligible for support under a program of public assistance at the 25 26 time of separation, marital dissolution, or death, a 27 28 court is authorized to order the other party to provide support to the extent necessary to avoid that 29 30 eligibility.

31 These sections form the heart of the Act; the re-32 maining sections deal with more tangential issues. 33. Title 19, section 146, prescribes the manner in which 34 premarital agreement may be amended or revoked. а 35 Title 19, section 148, provides for very limited en-36 forcement where a marriage is subsequently determined Title 19, section 149, tolls any statute 37 to be void. 38 of limitations applicable to an action asserting a 39 claim for relief under a premarital agreement during 40 the parties' marriage.

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