

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 664

H.P. 484

House of Representatives, March 7, 1989

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative CONLEY of Portland.

STATE OF MAINE

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

**An Act to Increase the Residence Exemption for Elderly and Disabled
Persons.**



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

3 14 MRSA §4422, sub-§1, as enacted by PL 1981, c. 431, §2,
5 is repealed and the following enacted in its place:

7 1. Residence. The exemption of a debtor's residence is
subject to this subsection.

9 A. Except as provided in paragraph B, the debtor's
11 aggregate interest, not to exceed \$7,500 in value, in real
13 or personal property that the debtor or a dependent of the
15 debtor uses as a residence, in a cooperative that owns
17 property that the debtor or a dependent of the debtor uses
19 as a residence, or in a burial plot for the debtor or a
dependent of the debtor, provided that if the debtor's
interest is held jointly with any other person or persons,
the exemption shall not exceed in value the lesser of
\$7,500 or the product of the debtor's fractional share
times \$15,000.

21 B. The aggregate interest of the debtor, not to exceed
23 \$60,000 in value, in property described in paragraph A, if
25 the debtor or a dependent of the debtor is either a person
27 60 years of age or older or a person whose income is
predicated on that person's disability, provided that if
the debtor's interest is held jointly with any other person
or persons, the exemption shall not exceed in value the
lesser of \$60,000 or the product of the fractional share of
29 the debtor times \$120,000. This paragraph does not apply
to liens obtained prior to its effective date.

31 C. That portion of the proceeds from any sale of property
33 which is exempt under this section shall be exempt for a
35 period of six months from the date of receipt of such
proceeds.

37 **STATEMENT OF FACT**

39 Given the current \$7,500 exemption which applies to all
41 debtors, unsecured creditors' actions against elderly and
43 disabled persons pose a substantial threat that these persons
45 will lose their homes. Once their homes are lost, these groups
have little hope of replacing them in their lifetimes because of
old age or infirmity. This bill will provide a secure interest
in a modest homestead to elderly and disabled persons during
their lifetimes.