

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1296

S.P. 401

In Senate, March 4, 1997

**An Act to Amend the Maine Probate Code to Eliminate Interest on
Claims of Creditors of Insolvent Estates.**

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MURRAY of Penobscot.

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

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Sec. 1. 18-A MRSA §3-806, sub-§(d), as enacted by PL 1979, c. 540, §1, is amended to read:

(d) Unless otherwise provided in any judgment in another court entered against the personal representative, allowed claims bear interest at the legal rate for the period commencing 60 days after the time for original presentation of the claim has expired unless based on a contract making a provision for interest, in which case they bear interest in accordance with that provision.

Interest may not accrue on any allowed claim, however allowed, against an insolvent estate, except to the extent that insurance coverage or other nonprobate assets are available to pay the claim in full.

SUMMARY

This bill amends the Probate Code to eliminate interest on claims of creditors of insolvent estates to reduce complications.