

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1453

H.P. 1084

House of Representatives, March 5, 2001

An Act to Amend the Laws that Govern Property that is Exempt from Attachment and Execution.

Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative SMITH of Van Buren.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: DUDLEY of Portland, HUTTON of Bowdoinham, TARAWEWICH of
Waterboro.

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

2
3 **Sec. 1. 14 MRSA §4422, sub-§1, ¶A**, as amended by PL 1991, c.
4 741, §1, is further amended to read:

6 A. Except as provided in paragraph B, the debtor's
7 aggregate interest, not to exceed ~~\$12,500~~ \$25,000 in value,
8 in real or personal property that the debtor or a dependent
9 of the debtor uses as a residence, in a cooperative that
10 owns property that the debtor or a dependent of the debtor
11 uses as a residence, or in a burial plot for the debtor or a
12 dependent of the debtor, provided that if minor dependents
13 of the debtor have their principal place of residence with
14 the debtor, the debtor's aggregate interest may not exceed
15 ~~\$25,000~~ \$50,000 and provided further that if the debtor's
16 interest is held jointly with any other person or persons,
17 the exemption may not exceed in value the lesser of ~~\$12,500~~
18 \$25,000 or the product of the debtor's fractional share
19 times ~~\$25,000~~ \$50,000.

20 **Sec. 2. 14 MRSA §4422, sub-§2**, as amended by PL 1991, c. 741,
21 §2, is further amended to read:

22 2. **Motor vehicle.** The debtor's interest, not to exceed
23 ~~\$2,500~~ \$5,000 in value, in one motor vehicle.

24 **Sec. 3. 14 MRSA §4422, sub-§13, ¶D**, as enacted by PL 1981, c.
25 431, §2, is amended to read:

26 D. Alimony, support or separate maintenance, to the extent
27 reasonably necessary for the support of the debtor and any
28 dependent of the debtor; or

29 **Sec. 4. 14 MRSA §4422, sub-§13, ¶E**, as amended by PL 1995, c.
30 35, §1, is further amended to read:

31 E. A payment or account under a stock bonus, pension,
32 profitsharing, annuity, ~~individual retirement account~~ or
33 similar plan or contract on account of illness, disability,
34 death, age or length of service, to the extent reasonably
35 necessary for the support of the debtor and any dependent of
36 the debtor, unless:

37 (1) The plan or contract was established by or under
38 the auspices of an insider that employed the debtor at
39 the time the debtor's rights under the plan or contract
40 arose;

41 (2) The payment is on account of age or length of
42 service; and
43

2 (3) The plan or contract does not qualify under the
United States Internal Revenue Code of 1954, Section
4 401(a), 403(a), 403(b), 408 or 409; or

6 **Sec. 5. 14 MRSA §4422, sub-§13, ¶F** is enacted to read:

8 F. A payment or account under an individual retirement
9 account or similar plan or contract on account of illness,
10 disability, death, age or length of service to the sum of
11 \$15,000 or to the extent reasonably necessary for the
12 support of the debtor and any dependent of the debtor,
13 whichever is greater.

14

16

SUMMARY

18 This bill amends the laws that govern what property is
exempt from attachment and execution and is exempt for purposes
20 of a bankruptcy proceeding. It increases the exemption for a
residence from \$12,500 to \$25,000 and from \$25,000 to \$50,000 if
22 minor dependents live with the debtor. It increases the
exemption for a motor vehicle from \$2,500 to \$5,000. It provides
24 that a payment or account under an individual retirement account
or similar plan or contract is generally exempt to the sum of
26 \$15,000 or to the extent reasonably necessary for the support of
the debtor and any dependent of the debtor, whichever is
28 greater. Current law provides that such a payment or account is
exempt to the extent reasonably necessary for the support of the
30 debtor and any dependent of the debtor.