

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

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Legislative Document

No. 687

H.P. 518

House of Representatives, February 9, 2007

An Act To Amend the Law Regarding Transactions at Financial Institutions

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SAVAGE of Falmouth. (BY REQUEST)

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

2 **Sec. 1. 9-B MRSA §427, sub-§10**, as amended by PL 2001, c. 211, §12, is
3 further amended to read:

4 **10. Adverse claim to deposit or account.** Except as provided in Title 11, section
5 4-405, in Title 14, section 4751 and in Title 18-A, sections 6-107 and 6-112, notice to ~~any~~
6 a financial institution authorized to do business in this State of an adverse claim to a
7 deposit or account standing on its books to the credit of any person is not effectual to
8 cause ~~said that~~ institution to recognize ~~said the~~ adverse claimant, unless ~~said the~~ adverse
9 claimant ~~shall~~ either ~~procure~~ procures a restraining order, injunction or other appropriate
10 process against ~~said the~~ institution from a court of competent jurisdiction in a civil action
11 to which the person to whose credit the deposit or account stands is made a party, or ~~shall~~
12 ~~execute~~ executes to ~~said that~~ institution, in a form and with sureties acceptable to ~~it~~ the
13 institution, a bond indemnifying ~~said the~~ institution from ~~any and~~ all liability, loss,
14 damage, costs and expenses for and on account of the payment of such adverse claim or
15 the dishonor of checks or other orders of the person to whose credit the deposit or account
16 stands on the books of ~~said the~~ institution.

17 This subsection does not apply to the creation, perfection or enforcement of a security
18 interest in a deposit or account other than an assignment of a deposit or account in a
19 consumer transaction as defined in Title 11, section 9-1102, subsection 26.

20 **Sec. 2. 14 MRSA §4751**, as amended by PL 1985, c. 187, §5, is further amended
21 to read:

22 **§4751. Goods sold on execution**

23 All chattels, real and personal liable at common law to attachment and not exempted
24 therefrom by statute, may be taken and sold on execution as prescribed in this subchapter
25 and subchapter ~~IV~~ 4. Credits of a sole proprietorship doing business under an assumed or
26 trade name, partnership, limited liability company or corporation, other than payroll
27 accounts expressly so designated to the credit holder by the account owner, may be taken
28 on execution by an officer and turned over to the judgment creditor to be applied to the
29 judgment, together with interest and costs.

30

SUMMARY

31 Current law requires, with exceptions, an adverse claimant to provide a financial
32 institution with an indemnifying bond before the institution may recognize the notice of
33 the adverse claim.

34 This bill adds another exception, for chattels as specified in the Maine Revised
35 Statutes, Title 14, section 4751.

36 This bill also adds limited liability companies to the enumeration of entities that may
37 have their credits taken on writ of execution.