

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2215

S.P. 853

February 14, 2008

An Act To Increase the Amount of Value of a Residence Protected from Bankruptcy Proceedings

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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 PERRY of Penobscot.

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

2 **Sec. 1. 14 MRSA §4422, sub-§1, ¶A**, as amended by PL 2003, c. 47, §1, is
3 further amended to read:

4 A. Except as provided in paragraph B, the debtor's aggregate interest, not to exceed
5 ~~\$35,000~~ \$100,000 in value, in real or personal property that the debtor or a dependent
6 of the debtor uses as a residence, in a cooperative that owns property that the debtor
7 or a dependent of the debtor uses as a residence, or in a burial plot for the debtor or a
8 dependent of the debtor, ~~provided~~ except that if minor dependents of the debtor have
9 their principal place of residence with the debtor, the debtor's aggregate interest may
10 not exceed ~~\$70,000~~ \$200,000 and ~~provided further~~ except that if the debtor's interest
11 is held jointly with any other person or persons, the exemption may not exceed in
12 value the lesser of ~~\$35,000~~ \$100,000 or the product of the debtor's fractional share
13 times ~~\$70,000~~ \$200,000.

14 **Sec. 2. 14 MRSA §4422, sub-§1, ¶B**, as amended by PL 2003, c. 47, §2, is
15 further amended to read:

16 B. The debtor's aggregate interest, not to exceed ~~\$70,000~~ \$200,000 in value, in
17 property described in paragraph A, if the debtor or a dependent of the debtor is either
18 a person 60 years of age or older or a person physically or mentally disabled and
19 because of such disability is unable to engage in substantial gainful employment and
20 whose disability has lasted or can be expected to last for at least 12 months or can be
21 expected to result in death; ~~provided~~ except that if the debtor's interest is held jointly
22 with any other person or persons, the exemption may not exceed in value the lesser of
23 ~~\$70,000~~ \$200,000 or the product of the fractional share of the debtor's interest times
24 ~~\$140,000~~ \$400,000. This paragraph does not apply to liens obtained prior to its
25 effective date or to judgments based on torts involving other than ordinary negligence
26 on the part of the debtor.

27 **SUMMARY**

28 This bill increases the exemption from attachment and execution under the
29 bankruptcy laws of a debtor's interest in the debtor's residence from \$35,000 to \$100,000
30 and from \$70,000 to \$200,000 if the minor dependents of the debtor reside in the
31 residence or if the debtor is 60 years of age or older or physically or mentally disabled.