

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 533

H.P. 377

House of Representatives, February 9, 2017

**An Act To Clarify the Application of the Statute of Limitations
under Article 3-A of the Uniform Commercial Code**

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COOPER of Yarmouth.
Cosponsored by Senator CARPENTER of Aroostook, Senator BREEN of Cumberland and
Representatives: BROOKS of Lewiston, RYKERSON of Kittery.

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

2 **Sec. 1. 11 MRSA §3-1118, sub-§(1)**, as enacted by PL 1993, c. 293, Pt. A, §2, is
3 amended to read:

4 **(1).** Except as provided in subsection (5), an action to enforce the obligation of a
5 party to pay a note payable at a definite time must be commenced within 6 years after the
6 due date or dates stated in the note or, if a due date is accelerated, within 6 years after the
7 accelerated due date. This subsection applies to all negotiable instruments,
8 notwithstanding any statute of limitations of differing length set forth in any other statute.

9 **Sec. 2. Notice.** Promptly after the effective date of this Act, the Department of
10 Professional and Financial Regulation, Bureau of Financial Institutions and Bureau of
11 Consumer Credit Protection shall give written notice of the provisions of this Act to all
12 financial institutions, mortgage servicers and debt collectors regulated by or registered
13 with them and to other entities and agencies that have interests in loans that may be
14 affected by this Act.

15 **Sec. 3. Application.** This Act does not apply to a negotiable instrument that exists
16 on the effective date of this Act and that is subject to a statute of limitations longer than 6
17 years prior to the effective date of this Act until 90 days after the effective date of this
18 Act.

19 **SUMMARY**

20 The Maine Revised Statutes, Title 11, section 3-1118, subsection (1) in Article 3-A of
21 the Uniform Commercial Code, which governs negotiable instruments, provides for a 6-
22 year statute of limitations for enforcement of negotiable instruments. In 2004, the Maine
23 Supreme Judicial Court sitting as the Law Court held in *Fleet National Bank v. Liberty*,
24 2004 ME 36, 845 A.2d 1183, that Title 11, section 3-1118, subsection (1) did not repeal
25 the 20-year statute of limitations for some types of instruments in Title 14, section 751,
26 either expressly or by implication. This bill provides that the 6-year statute of limitations
27 in Title 11, section 3-1118, subsection (1) applies to all negotiable instruments,
28 notwithstanding the 20-year statute of limitations for some types of instruments in Title
29 14, section 751.

30 This bill also provides that the 6-year statute of limitations does not apply to certain
31 negotiable instruments until 90 days after the legislation takes effect. It requires the
32 Department of Professional and Financial Regulation, Bureau of Financial Institutions
33 and Bureau of Consumer Credit Protection to give written notice to all financial
34 institutions, mortgage servicers and debt collectors regulated by or registered with them
35 and to other entities and agencies that have interests in loans that may be affected by this
36 legislation.