

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1483

H.P. 1085

House of Representatives, April 4, 2019

**An Act To Clarify the Disposition of Funds Presumed Abandoned in
a Lawyer's Trust Account**

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 CARDONE of Bangor.
Cosponsored by Senator BELLOWS of Kennebec and
Representative: HARNETT of Gardiner.

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

2 **Sec. 1. 33 MRSA §1952, sub-§§7-A and 7-B** are enacted to read:

3 **7-A. Lawyer's trust account.** "Lawyer's trust account" means a pooled trust
4 account managed pursuant to rules adopted by the Supreme Judicial Court that earns
5 interest or dividends at an eligible institution in which a lawyer or law firm holds funds
6 on behalf of a client or clients. These funds are small in amount or held for a short period
7 of time, such that the funds cannot earn interest or dividends for the client in excess of the
8 costs incurred to secure such interest or dividends. For the purpose of this subsection,
9 "eligible institution" means a financial organization meeting the requirements in rules
10 adopted by the Supreme Judicial Court.

11 **7-B. Lawyer's trust account program manager.** "Lawyer's trust account program
12 manager" means an entity designated by the Supreme Judicial Court to manage the
13 lawyer's trust account program adopted by the Supreme Judicial Court.

14 **Sec. 2. 33 MRSA §1952, sub-§13, ¶¶F and G,** as enacted by PL 1997, c. 508,
15 Pt. A, §2 and affected by §3, are amended to read:

16 F. An amount due and payable under the terms of an annuity or insurance policy,
17 including policies providing life insurance, property and casualty insurance, workers'
18 compensation insurance or health and disability insurance; ~~and~~

19 G. An amount distributable from a trust or custodial fund established under a plan to
20 provide health, welfare, pension, vacation, severance, retirement, death, stock
21 purchase, profit sharing, employee savings, supplemental unemployment insurance or
22 similar benefits; and

23 **Sec. 3. 33 MRSA §1952, sub-§13, ¶H** is enacted to read:

24 H. Funds in a lawyer's trust account.

25 **Sec. 4. 33 MRSA §1953, sub-§1, ¶O,** as amended by PL 2003, c. 20, Pt. T, §22,
26 is further amended to read:

27 O. All other property, including funds in a lawyer's trust account, 3 years after the
28 owner's right to demand the property or after the obligation to pay or distribute the
29 property arises, whichever first occurs;

30 **Sec. 5. 33 MRSA §1959, sub-§5** is enacted to read:

31 **5. Payment of certain funds presumed abandoned in lawyer's trust accounts.**
32 Notwithstanding any other provision in this chapter to the contrary, a lawyer, law firm or
33 financial institution holding funds presumed abandoned in a lawyer's trust account for
34 which no identifying client information can be found shall file a report with the
35 administrator pursuant to section 1958, subsection 1 and then transfer such funds, along
36 with a copy of the report, to the lawyer's trust account program manager to provide
37 funding to organizations whose primary purpose is to provide civil legal aid to low-
38 income residents of the State.

