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An Act To Update the Bankruptcy Laws To Incorporate Federal Changes Relating to Exemptions

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the provisions in the United States Code pertaining to exemptions in bankruptcy proceedings were amended in 2005; and

Whereas, Maine inadvertently did not update its bankruptcy laws to conform with the amended federal law; and

Whereas, it is imperative for this legislation to take effect immediately so that Maine's laws may be updated to remove potential uncertainty for Maine's citizens and judiciary; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 14 MRSA §4426, as amended by PL 1989, c. 286, §2, is further amended to read:

§ 4426.Exemptions in bankruptcy proceedings

Notwithstanding anything to the contrary in the United States Code, Title 11, Section 522(b), a debtor may exempt from property of the debtor's estate under United States Code, Title 11, only that property exempt under the United States Code, Title 11, Section ~~522(b)(2)(A)~~522(b)(3)(A) and (B), except that any debtor eligible for a residence exemption under section 4422, subsection 1, paragraph B, may exempt the amount allowed in that paragraph.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

Effective 90 days following adjournment of the 125th
Legislature, First Regular Session, unless otherwise indicated.