

Introduced by: McBride  
Date: May 5, 1981  
Vote: 14 Yes, 2 No  
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 81-75

URGING THE UNITED STATES CONGRESS TO AMEND THE FEDERAL BANKRUPTCY ACT TO MAKE THE FILING OF BANKRUPTCY MORE DIFFICULT AND TO MINIMIZE THE POTENTIAL FOR ABUSE.

WHEREAS, the 1978 amendments to the Federal Bankruptcy Act have allowed individuals to retain significant assets after filing bankruptcy under Chapter 7; and

WHEREAS, the filing of a Chapter 7 Bankruptcy has become relatively painless and easy and the number of new bankruptcies has increased dramatically since the 1978 amendments to the Bankruptcy Act; and

WHEREAS, the filing of unnecessary bankruptcies has cost business and personal creditors significant amounts of lost revenue; and

WHEREAS, the current Bankruptcy Act incorporates little or no protection for unsecured creditors from the increasingly heavy losses arising from Chapter 7 Bankruptcies; and

WHEREAS, many persons who are employed and earning adequate salaries have been allowed to benefit from their financial irresponsibilities by filing bankruptcy and retaining a significant portion of their assets, to the general loss of the business community; and

WHEREAS, bankruptcy filings have nearly doubled during the last year in Alaska and there is only one bankruptcy judge to hear and dispose of such cases, resulting in excessive delays; and

WHEREAS, the use of the bankruptcy proceedings to defeat the legitimate obligations of creditors upon persons earning an adequate wage is morally reprehensible;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1: That the Assembly urges the Congress of the United States to revise Chapter 7 of the Federal Bankruptcy Act to provide for significantly increased restrictions upon

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the ability of any one person to file bankruptcy proceedings under that chapter, to provide adequate recourse and protection for otherwise unsecured, legitimate creditors, and to further provide that significantly all of the assets of the bankruptcy petitioner shall be marshalled, liquidated and distributed to legitimate creditors.

Section 2. That the Clerk shall serve copies of this resolution upon the Honorable Ronald Reagan, President of the United States, upon the Honorable Thomas P. O'Neill, Speaker of the House, upon the Honorable George Bush, President of the United States Senate, upon the Honorables Ted Stevens and Frank Murkowski, United States Senators, and upon the Honorable Donald Young, United States Representative.

Section 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH  
ON THIS 5th DAY OF May, 1981.

Paul A. Fischer  
Paul Fischer, Assembly President

ATTEST:

Frances Byrner  
Borough Clerk