

By: Senator(s) Dawkins

To: Rules

SENATE CONCURRENT RESOLUTION NO. 514

1 A CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO
2 AMEND THE FEDERAL BANKRUPTCY LAW TO WAIVE THE NEW STRICT
3 REQUIREMENTS FOR RESIDENTS OF THE MISSISSIPPI GULF COAST,
4 LOUISIANA AND ALABAMA WHO ARE FILING FOR BANKRUPTCY DUE TO THE
5 EFFECTS OF HURRICANE KATRINA AND HURRICANE RITA.

6 WHEREAS, on October 17, 2005, new strict requirements for
7 bankruptcy filers under the federal Bankruptcy Abuse Prevention
8 and Consumer Protection Act took effect; and

9 WHEREAS, even though bankruptcy should not be a convenience
10 or financial planning tool, this new law was specifically designed
11 to make it more difficult to file for bankruptcy, which is the
12 only financial safety net available for most middle-class
13 families; and

14 WHEREAS, in the wake of Hurricane Katrina and Hurricane Rita,
15 Congress should at least rectify the harshness of the new
16 bankruptcy law for the residents of Mississippi, Louisiana and
17 Alabama. For many families and small businesses, the storm's
18 devastation will not be fully felt for weeks or months, until they
19 face the crippling financial consequences of lost property, lost
20 wages and lost jobs. They may have lost their house and car, but
21 the obligation to pay for them will not recede like the water; and

22 WHEREAS, common sense tells us that when families are hit
23 hard by hurricanes, more of them will end up filing for
24 bankruptcy. A new study in the Nevada Law Journal agrees the rate
25 on growth in bankruptcy filings following the biggest hurricanes
26 of the past 25 years is about 50% higher in states that have
27 suffered a direct hit and about 20% higher in nearby states. In
28 an ominous note for the victims of the latest disasters, the study

29 also shows that not all storms are alike. When storms hit in
30 areas that resulted in lower total FEMA relief payments (rather
31 than in more expensive areas with more beachfront condos and
32 second homes), the increase in bankruptcy rates goes even higher.
33 The highest increase in bankruptcy filings in the past 25 years
34 occurred when Hurricane Elena hit Mississippi in 1985; and

35 WHEREAS, once the new law goes into effect, everyone,
36 regardless of income and regardless of the reason for filing, must
37 file extensive new paperwork and meet other new procedural
38 requirements. Just when the Gulf Coast region needs its
39 entrepreneurs most, fewer of them will get the chance to recover
40 from the financial devastation of Hurricane Katrina and Hurricane
41 Rita to start their business again. The bankruptcy laws have been
42 amended to offer less help to Americans when disaster strikes.
43 When people arrive at the bankruptcy courts, they are exhausted,
44 both physically and financially. For Congress to turn its back on
45 these families as they struggle to put their lives back together
46 is shameful; and

47 WHEREAS, Mississippi residents who have been hit by the Gulf
48 Coast Hurricanes have lost their homes, business and even loved
49 ones, and now may face financial ruin without the protection of
50 bankruptcy:

51 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF
52 MISSISSIPPI, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN, That
53 we do hereby urge the United States Congress to enact legislation
54 to mitigate the harshest effects of the new federal Bankruptcy
55 Abuse Prevention and Consumer Protection Act by waiving these new
56 requirements for residents of the Mississippi Gulf Coast,
57 Louisiana and Alabama who are filing for bankruptcy due to the
58 financial effects of Hurricane Katrina and Hurricane Rita.

59 BE IT FURTHER RESOLVED, That this resolution be certified by
60 the Secretary of State and forwarded to members of Mississippi's
61 congressional delegation, the United States Attorney General, the

62 President of the United States, and be made available to the
63 Capitol Press Corps.