

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

HOUSE BILL NO. 1521

By: Kinnamon

AS INTRODUCED

An Act relating to the commercial code; amending 12A O.S. 1991, Sections 4-302 and 4-403, which relate to payor bank's responsibility for late return of item and customer's right to stop payment; modifying certain language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 12A O.S. 1991, Section 4-302, is amended to read as follows:

Section 4-302.

PAYOR BANK'S RESPONSIBILITY FOR LATE RETURN OF ITEM

(a) If an item is presented to and received by a payor bank, the bank is accountable for the amount of:

- (1) a demand item, other than a documentary draft, whether properly payable or not, if the bank, in any case in which it is not also the depository bank, retains the item beyond midnight of the banking day of receipt without settling for it or, whether or not it is also the depository bank, does not pay or return the item

or send notice of dishonor until after its midnight deadline; or

- (2) any other properly payable item unless, within the time allowed for acceptance or payment of that item, the bank either accepts or pays the item or returns it and accompanying documents.

(b) The liability of a payor bank to pay an item pursuant to subsection (a) of this section is subject to defenses based on breach of presentment warranty ~~(as provided in Section 4-208 of this title)~~ or proof that the person seeking enforcement of the liability presented or transferred the item for the purpose of defrauding the payor bank.

SECTION 2. AMENDATORY 12A O.S. 1991, Section 4-403, is amended to read as follows:

Section 4-403.

CUSTOMER'S RIGHT TO STOP PAYMENT; BURDEN OF PROOF OF LOSS

(a) A customer or any person authorized to draw on the account if there is more than one person may stop payment of any item drawn on the ~~customer's~~ account of the customer or close the account by an order to the bank describing the item or account with reasonable certainty received at a time and in a manner that affords the bank a reasonable opportunity to act on it before any action by the bank with respect to the item described in Section 4-303 of this title. If the signature of more than one person is required to draw on an account, any of these persons may stop payment or close the account.

(b) A stop-payment order is effective for six (6) months, but it lapses after fourteen (14) calendar days if the original order was oral and was not confirmed in writing within that period. A stop-payment order may be renewed for additional six-month periods by a writing given to the bank within a period during which the stop-payment order is effective.

(c) The burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a stop-payment order or order to close an account is on the customer. The loss from payment of an item contrary to a stop-payment order may include damages for dishonor of subsequent items under Section 4-402 of this title.

SECTION 3. This act shall become effective November 1, 1995.

45-1-5578

JAF