

Session 117 - (2007-2008)

S*0936 (Rat #0233, Act #0204 of 2008) General Bill, By McConnell, Hayes, Martin, Thomas, O'Dell, Ford and Knotts

Summary: UCC-Negotiable Instruments and UCC-Bank Deposits and Collections

AN ACT TO AMEND CHAPTER 3 OF TITLE 36, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE UNIFORM COMMERCIAL CODE--NEGOTIABLE INSTRUMENTS, AND CHAPTER 4 OF TITLE 36, RELATING TO THE UNIFORM COMMERCIAL CODE--BANK DEPOSITS AND COLLECTIONS, SO AS TO, INTER ALIA, ACCOMMODATE THE LAW TO TECHNOLOGICAL ADVANCES IN THE PROCESSES OF COLLECTION AND PAYMENT OF CHECKS BY PROVIDING FOR ELECTRONIC PRESENTMENT OF INSTRUMENTS, RETENTION WARRANTIES, AND ENCODING WARRANTIES, AND BY DEFINING A BANK'S DUTY OF ORDINARY CARE IN COLLECTION AND PAYMENT OF CHECKS TO FOLLOW THE COMMERCIALLY REASONABLE AND ACCEPTED PRACTICE THAT PROCESSING CHECKS BY AUTOMATED MEANS DOES NOT NORMALLY RESULT IN A BREACH OF THE BANK'S DUTY TO EXERCISE ORDINARY CARE BY FAILING TO EXAMINE A CHECK; TO REFORM THE RULES ALLOCATING LOSSES RESULTING FROM CHECK FRAUD BY APPLYING THE DOCTRINE OF COMPARATIVE FAULT IN DETERMINING A BANK'S LIABILITY FOR LOSSES RESULTING FROM THE BANK'S IMPROPER PAYMENT OF A CHECK BEARING AN UNAUTHORIZED SIGNATURE OR ALTERATION, AND THE RULES APPLICABLE IN IMPOSTER AND FICTITIOUS PAYEE CASES, EMPLOYERS' RESPONSIBILITY FOR FRAUDULENT ENDORSEMENTS BY EMPLOYEES, AND ISSUES THAT ARISE IN CONVERSION CLAIMS; PROTECT CONSUMERS BY PRESERVING THE RIGHTS OF A CONSUMER ISSUING A NOTE TO ASSERT AGAINST A TRANSFEREE OF THE INSTRUMENT CLAIMS AND DEFENSES THAT THE CONSUMER HAS AGAINST THE ORIGINAL PAYEE, REGULATE REMOTELY CREATED CONSUMER ITEMS AND PROVIDE THAT A PERSON WHO TRANSFERS OR PRESENTS THE ITEM WARRANTS THAT THE CONSUMER ON WHOSE ACCOUNT THE ITEM IS DRAWN AUTHORIZED THE ISSUANCE AND AMOUNT OF THE ITEM, AND PROTECT THE MAKER OF A NOTE THAT HAS BEEN ASSIGNED WHO PAYS THE ASSIGNOR, UNLESS THE MAKER HAS RECEIVED ADEQUATE NOTIFICATION OF THE ASSIGNMENT; PROVIDE THAT VARIABLE INTEREST RATE NOTES QUALIFY AS INSTRUMENTS THAT CAN BE NEGOTIATED TO HOLDERS IN DUE COURSE; AND ADDRESS CASHIER'S CHECKS, TELLER'S CHECKS, AND CERTIFIED CHECKS INCLUDING DELINEATION OF THE RIGHTS OF THE OWNER OF A CHECK THAT HAS BEEN LOST, DESTROYED, OR STOLEN AND THE LIABILITY OF A BANK THAT WRONGFULLY REFUSES TO PAY THE CHECK. - ratified title

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| 12/12/07 | Senate | Prefiled |
| 12/12/07 | Senate | Referred to Committee on Judiciary |
| 01/08/08 | Senate | Introduced and read first time SJ-70 |
| 01/08/08 | Senate | Referred to Committee on Judiciary SJ-70 |
| 01/18/08 | | Scrivener's error corrected |
| 01/15/08 | Senate | Referred to Subcommittee: Gregory (ch), Elliott, Anderson, Ritchie, Cleary, Ceips |
| 02/06/08 | Senate | Committee report: Favorable Judiciary SJ-21 |
| 02/07/08 | Senate | Read second time SJ-12 |
| 02/12/08 | Senate | Read third time and sent to House SJ-10 |
| 02/12/08 | House | Introduced and read first time HJ-10 |
| 02/12/08 | House | Referred to Committee on Judiciary HJ-12 |
| 03/26/08 | House | Committee report: Favorable Judiciary HJ-4 |
| 04/01/08 | House | Read second time HJ-29 |
| 04/01/08 | House | Roll call Yeas-108 Nays-0 HJ-32 |
| 04/02/08 | House | Read third time and enrolled HJ-26 |
| 04/10/08 | | Ratified R 233 |
| 04/15/08 | | Signed By Governor |
| 04/24/08 | | Copies available |
| 04/24/08 | | Effective date 07/01/08 |
| 04/28/08 | | Act No. 204 |