

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

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