

SB 279 -- DEMAND DRAFTS

SPONSOR: Taylor (Wasson)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Judiciary by a vote of 13 to 0.

This bill changes the laws regarding the Uniform Commercial Code relating to negotiable instruments and bank deposits and collections. Transfer warranties and presentment warranties for negotiable instruments and bank deposits and collections will apply to demand drafts. The person submitting the demand draft warrants that the creation of the demand draft was authorized by the person identified as the maker of the check.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill addresses the problem of demand drafts being presented to banks without the authorization of the consumer.

Testifying for the bill were Senator Taylor; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.

Amy Woods, Senior Legislative Analyst