

HB 518 -- ENFORCEMENT OF NEGOTIABLE INSTRUMENT

SPONSOR: Shaul

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 12 to 1.

This bill updates our statutes to follow the current UCC code regarding negotiable instruments. Currently, a person who is not in possession of an instrument can enforce the instrument if the loss of possession was not the result of a transfer or lawful seizure and the person cannot reasonably obtain possession. The bill adds the requirement that the person was entitled to enforce the instrument when the loss of possession occurred or the person has directly or indirectly acquired ownership of the instrument from a person who was entitled to enforce the instrument with the loss of possession occurred.

PROPONENTS: Supporters for the bill say it will help the banking industry be more efficient by going digital and eliminating the need for physical signed instruments. The bill also updates the uniform commercial code to the current uniform standard.

Testifying for the bill were Representative Shaul; Missouri Bankers Association; Arnie C. Dienoff; and Heartland Credit Union Association.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.