

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative McJunkin**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 4-4-401 TO PROVIDE THAT
9 BANKS ARE NOT LIABLE FOR PROCESSING POSTDATED CHECKS
10 UNLESS THEY HAVE WRITTEN NOTICE FROM THE CUSTOMER THAT THE
11 CHECK IS POSTDATED; AND FOR OTHER PURPOSES."

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13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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15 SECTION 1. Arkansas Code 4-4-401 is hereby amended to read as follows:

16 "4-4-401. When bank may charge customer's account.

17 (1) As against its customer, a bank may charge against his account any
18 item which is otherwise properly payable from that account even though the
19 charge creates an overdraft.

20 (2) A bank which in good faith makes payment to a holder may charge the
21 indicated account of its customer according to:

22 (a) The original tenor of his altered item; or

23 (b) The tenor of his completed item, even though the bank knows the
24 item has been completed unless the bank has notice that the completion was
25 improper.

26 (3) No bank shall be liable for charging against its customer's account
27 a postdated check, otherwise properly payable from such account, before the
28 date stated thereon unless the bank has received written notice in advance
29 from the customer that the check is postdated. Such notice shall include the
30 payee's name as it appeared on the check, the date, the check number and the
31 amount of such check.

32 (4) No bank customer shall be liable for charges on a check dishonored
33 because of insufficient funds if the bank was in error in their accounting or
34 posting of the customer's account and the bank shall also notify the persons
35 affected by the bank's failure to honor such checks."

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SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.