S T A T E   O F   N E W   Y O R K

2122

2011-2012 Regular Sessions

I N S E N A T E

January 18, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to the payment of negotiable instruments by a drawee bank

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The banking law is amended by adding a new section 6-n to read as follows:

S 6-N. PAYMENT OF NEGOTIABLE INSTRUMENTS BY A DRAWEE BANK. ANY BANKING INSTITUTION, AS THAT TERM IS DEFINED IN SECTION NINE-K OF THIS ARTICLE, UPON WHICH A NEGOTIABLE INSTRUMENT, AS SUCH TERM IS DEFINED IN SECTION 3-104 OF THE UNIFORM COMMERCIAL CODE, IS DRAWN, SHALL MAKE PAYMENT TO THE PAYEE NAMED IN SUCH NEGOTIABLE INSTRUMENT AT THE TIME THE PAYEE PRESENTS SUCH NEGOTIABLE INSTRUMENT FOR PAYMENT IRRESPECTIVE OF WHETHER SAID PAYEE MAINTAINS AN ACCOUNT WITH SAID BANKING INSTITUTION. NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, A BANKING INSTITUTION MAY DEMAND SUFFICIENT IDENTIFICATION FROM SUCH PAYEE BEFORE MAKING PAYMENT. FOR PURPOSES OF THIS SECTION, "SUFFICIENT IDENTIFICATION" SHALL MEAN A VALID DRIVER'S LICENSE ISSUED TO SUCH PAYEE BY THE DEPARTMENT OF MOTOR VEHICLES OR A SHERIFF'S IDENTIFICATION CARD.

S 2. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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