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

7173

I N S E N A T E

May 1, 2012

Introduced by Sens. SALAND, BRESLIN -- 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 order in which a payor bank shall pay checks

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 9-v to read as follows:

S 9-V. BANKING INSTITUTIONS TO PAY CHECKS DRAWN THEREIN IN ORDER OF PRESENTATION. NOTWITHSTANDING ANY OTHER LAW, RULE OR REGULATION TO THE CONTRARY, EVERY BANKING INSTITUTION WHICH PROVIDES CHECKING ACCOUNTS FOR ITS CUSTOMERS SHALL, IN PAYING SUCH CHECKS AS ARE PRESENTED FOR PAYMENT, PAY THE CHECKS IN THE ORDER WHEREIN THEY ARE RECEIVED; PROVIDED, HOWEVER, IF A CHECK IS DISHONORED FOR INSUFFICIENT FUNDS AND THEREAFTER SMALLER CHECKS WHICH COULD BE PAID ARE RECEIVED, THE SMALLER CHECKS SHALL BE HONORED WITHIN AMOUNTS ON DEPOSIT MINUS THE FIRST OVERDRAFT CHARGE IN THE SUBJECT ACCOUNT.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

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

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