

CHAPTER 23.

[H. B. 47.]

COLLECTION, PAYMENT AND DISHONOR OF DEMAND ITEMS BY BANKS.

AN ACT relating to the collection, payment and dishonor of demand items by banks and the revocation of credit therefor, and payment of, such items, and amending section 30.52.030, R.C.W.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 30.52.030, R.C.W., as derived from section 3, chapter 203, Laws of 1929, is amended to read as follows: Amendment.

(1) In any case in which a bank receives, other than for immediate payment over the counter, a demand item payable by, at or through such bank and gives credit therefor before midnight of the day of receipt, the bank may have until midnight of its next business day after receipt within which to dishonor or refuse payment of such item. Any credit so given, together with all related entries on the receiving bank's books, may be revoked by returning the item, or if the item is held for protest or at the time is lost or is not in possession of the bank, by giving written notice of dishonor, nonpayment, or revocation: *Provided*, That such item or notice is dispatched in the mails or by other expeditious means not later than midnight of the bank's next business day after the item was received. For the purpose of determining when notice of dishonor must be given or protest made under the law relative to negotiable instruments, an item duly presented which is dishonored or credit for which is revoked as authorized by this section, shall be deemed dishonored on the day the item or notice is dispatched. A bank, revoking credit pursuant to the authority of this section, is entitled to refund of, or credit for, the amount of the item.

Receipt of demand items.

Bank may dishonor.

Returning item.

Notice of dishonor.

Deemed dishonored on day item or notice dispatched.

(2) For the purposes of this section:

Item received other than on business day.

(a) An item received by a bank on a day other than its business day, or received on a business day after its regular business hours or during afternoon or evening periods when it has reopened or remained open for limited functions, shall be deemed to have been received at the opening of its next business day;

"Credit" defined.

(b) The term "credit" includes payment, remittance, advice of credit or authorization to charge and, in cases where the item is received for deposit as well as for payment, also includes the passing of appropriate entries to the receiving bank's general ledger without regard to whether the item is posted to individual customers' ledgers.

[Am. R.R.S. 3292-3]

Passed the House February 5, 1951.

Passed the Senate February 21, 1951.

Approved by the Governor February 28, 1951.