

1 AN ACT concerning business transactions.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Uniform Commercial Code is amended by
5 changing Section 3-806 as follows:

6 (810 ILCS 5/3-806) (from Ch. 26, par. 3-806)

7 Sec. 3-806. Any person who issues a check or other draft
8 that is not honored upon presentment because the drawer does
9 not have an account with the drawee, or because the drawer
10 does not have sufficient funds in his account, or because the
11 drawer does not have sufficient credit with the drawee, shall
12 be liable (i) in the amount of \$5 if the insufficiency is
13 less than \$200 or in the amount of \$25 if the insufficiency
14 is \$200 or more, or (ii) for all costs and expenses,
15 including reasonable attorney's fees, incurred by any person
16 in connection with the collection of the amount for which the
17 check or other draft was written, whichever is greater, and
18 shall be liable for interest upon the amount of the check or
19 other draft at the rate provided in subsection (1) of Section
20 4 of the Interest Act. Costs and expenses shall include
21 reasonable costs and expenses incurred in the nonlitigated
22 collection of the check or other draft.

23 A person who undertakes a nonlitigated collection against
24 the person who issued a check or other draft that is not
25 honored upon presentment shall make a written demand by
26 certified mail, return receipt requested, delivered to the
27 last known address of that person in order to become eligible
28 for any costs and expenses in excess of \$25. The written
29 demand shall demand payment within 30 days of the mailing of
30 the demand and shall include notice of liability for the
31 costs and expenses.

1 A fee or charge not to exceed \$4.50 may be assessed to
2 any person or owner of a commercial checking account or other
3 similar commercial account where a check or other draft that
4 is deposited into the account is dishonored upon presentment
5 because of insufficient funds or because the drawer does not
6 have an account with the drawee; provided, however, that, the
7 limitation on the fee or charge specified in this paragraph
8 does not apply to any fee or charge assessed to any bank or
9 other depository institution or to any non-commercial
10 checking account or other similar non-commercial account.

11 (Source: P.A. 87-582; 87-624.)