



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB6005

Introduced 2/10/2010, by Rep. Angelo Saviano

SYNOPSIS AS INTRODUCED:

810 ILCS 5/3-806

from Ch. 26, par. 3-806

Amends the Uniform Commercial Code. Provides that any person who issues a converted check, electronic funds transfer, or order for the payment of money (in addition to any person who issues a check or other draft) that is not honored upon presentment because the drawer does not have an account with the drawee, or because the drawer does not have sufficient funds in his account, or because the drawer does not have sufficient credit with the drawee, shall be liable in the amount of \$25, or for all costs and expenses, including reasonable attorney's fees, incurred by any person in connection with the collection of the amount for which the converted check, electronic funds transfer, or order for the payment of money was written, whichever is greater, and shall be liable for interest upon that amount. Provides that a person who undertakes a nonlitigated collection against the person who issued a converted check, electronic funds transfer, or order for the payment of money that is not honored upon presentment shall make a written demand by certified mail, return receipt requested, delivered to the last known address of that person in order to become eligible for any costs and expenses in excess of \$25. Authorizes assessment of a fee or charge not to exceed \$4.50 to any person or owner of a commercial checking account or other similar commercial account where a converted check, electronic funds transfer, or order for the payment of money that is deposited into the account is dishonored upon presentment because of insufficient funds or because the drawer does not have an account with the drawee.

LRB096 16586 DRJ 31860 b

1 AN ACT concerning business.

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, converted check,
8 electronic funds transfer, order for the payment of money, or
9 other draft that is not honored upon presentment because the
10 drawer does not have an account with the drawee, or because the
11 drawer does not have sufficient funds in his account, or
12 because the drawer does not have sufficient credit with the
13 drawee, shall be liable in the amount of \$25, or for all costs
14 and expenses, including reasonable attorney's fees, incurred
15 by any person in connection with the collection of the amount
16 for which the check, converted check, electronic funds
17 transfer, order for the payment of money, or other draft was
18 written, whichever is greater, and shall be liable for interest
19 upon the amount of the check, converted check, electronic funds
20 transfer, order for the payment of money, or other draft at the
21 rate provided in subsection (1) of Section 4 of the Interest
22 Act. Costs and expenses shall include reasonable costs and
23 expenses incurred in the nonlitigated collection of the check,

1 converted check, electronic funds transfer, order for the
2 payment of money, or other draft.

3 A person who undertakes a nonlitigated collection against
4 the person who issued a check, converted check, electronic
5 funds transfer, order for the payment of money, or other draft
6 that is not honored upon presentment shall make a written
7 demand by certified mail, return receipt requested, delivered
8 to the last known address of that person in order to become
9 eligible for any costs and expenses in excess of \$25. The
10 written demand shall demand payment within 30 days of the
11 mailing of the demand and shall include notice of liability for
12 the costs and expenses.

13 A fee or charge not to exceed \$4.50 may be assessed to any
14 person or owner of a commercial checking account or other
15 similar commercial account where a check, converted check,
16 electronic funds transfer, order for the payment of money, or
17 other draft that is deposited into the account is dishonored
18 upon presentment because of insufficient funds or because the
19 drawer does not have an account with the drawee; provided,
20 however, that, the limitation on the fee or charge specified in
21 this paragraph does not apply to any fee or charge assessed to
22 any bank or other depository institution or to any
23 non-commercial checking account or other similar
24 non-commercial account.

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