

HOUSE BILL No. 1517

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-2-7-6.

Synopsis: Dishonored check fees. Removes transactions involving check cashing services and payday lenders from a requirement that the holder of a dishonored check be awarded triple damages for a dishonored check with a face amount of \$250 or less and \$250 for a dishonored check with a face amount over \$500.

Effective: July 1, 1999.

Bodiker

January 19, 1999, read first time and referred to Committee on Financial Institutions.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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HOUSE BILL No. 1517



A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 26-2-7-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 6. **(a) This section does not apply**
3 **to a:**
4 **(1) person licensed to cash a check under IC 28-8-5; or**
5 **(2) lender licensed under IC 24-4.5 with regard to a check**
6 **transaction that involves a single payment loan with a**
7 **repayment period of thirty (30) days or less.**
8 ~~(a)~~ **(b)** This section does not apply to a person who has allowed a
9 check to be dishonored because of lack of funds if both of the following
10 apply:
11 (1) The person reasonably believed that there were sufficient
12 funds in the account to cover the check.
13 (2) The insufficiency of funds is caused by the dishonoring of a
14 third party check that had been deposited into the person's
15 account.
16 ~~(b)~~ **(c)** If a person liable under this chapter does not pay to the
17 holder the full amount of the check not more than thirty (30) days after



1 the certified mailing of written notice that the check has not been paid,
2 the person is liable for, and the court shall award judgment for, the
3 following, whichever applies:
4 (1) If the face amount of the check is not greater than two hundred
5 fifty dollars (\$250), three (3) times the face amount of the check.
6 (2) If the face amount of the check is greater than two hundred
7 fifty dollars (\$250), the face amount of the check plus five
8 hundred dollars (\$500).

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