

## LEGISLATIVE BILL 241

Approved by the Governor March 30, 1987

Introduced by Conway, 17

AN ACT relating to postdated checks; to amend sections 3-114 and 4-401, Uniform Commercial Code; to provide for bank liability for early payment of postdated checks; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 3-114, Uniform Commercial Code, be amended to read as follows:  
U3-114. Date, antedating, postdating.

(1) The negotiability of an instrument is not affected by the fact that it is undated, antedated or postdated.

(2) Where Except as provided in subsection (3) of section 4-401, if an instrument is antedated or postdated the time when it is payable is determined by the stated date if the instrument is payable on demand or at a fixed period after date.

(3) Where the instrument or any signature thereon is dated, the date is presumed to be correct.

Sec. 2. That section 4-401, Uniform Commercial Code, be amended to read as follows:  
U4-401. When bank may charge customer's account.

(1) As against its customer, a bank may charge against his or her account any item which is otherwise properly payable from that account even though the charge creates an overdraft.

(2) A bank which in good faith makes payment to a holder may charge the indicated account of its customer according to

(a) the original tenor of his or her altered item; or

(b) the tenor of his or her completed item, even though the bank knows the item has been completed unless the bank has notice that the completion was improper.

(3) A bank may charge against the account of a customer any item that is otherwise properly payable from that account even though payment was made before the date of the check unless the customer has given notice to the bank of the postdating describing the item

with reasonable certainty. The notice will be effective as stated in subsection (2) of section 4-403 for stop orders and must be received at such time and in such manner as to afford the bank a reasonable opportunity to act on it prior to any action by the bank with respect to the item described in subdivisions (1)(b), (c), and (d) of section 4-303.

Sec. 3. That original sections 3-114 and 4-401, Uniform Commercial Code, are repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.