

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1542

H.P. 1083

House of Representatives, April 4, 2005

An Act To Provide Relief to Retailers Who Have Been Issued Bad Checks

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative KAELIN of Winterport.
Cosponsored by Senator WESTON of Waldo and
Representatives: BIERMAN of Sorrento, CARR of Lincoln, DUGAY of Cherryfield, DUNN of Bangor, EMERY of Cutler, MILLS of Farmington, TARDY of Newport, Senator: COWGER of Kennebec.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 14 MRSA §6071, sub-§5 is enacted to read:

5. Second bad check. A person who intentionally issues or negotiates a 2nd bad check to the same payee within one year of issuing or negotiating the first bad check knowing that the check will not be honored by the maker or drawee is liable to the payee not only for the face amount of the check, the costs and attorney's fees pursuant to subsections 1 and 2, but also for additional liquidated damages if the check is dishonored and the drawer fails to pay the face amount of the check within 30 days of a written demand for payment by the payee.

A. If a bad check is refused by the drawee bank because the drawer has no account with the bank, the additional liquidated damages are in an amount twice the face amount of the check or \$750, whichever is less.

B. If a bad check is refused by the drawee bank because the drawer has insufficient funds on deposit with the bank, the additional liquidated damages are in an amount twice the face amount of the check or \$400, whichever is less.

Sec. 2. Collection of worthless instrument. The district attorneys of the State shall implement a uniform policy on the collection of worthless instruments. The offices of the district attorneys shall submit their policy to the Joint Standing Committee on Judiciary by January 15, 2006.

SUMMARY

This bill imposes a penalty for issuing a 2nd bad check within a year of the first violation to the same payee. The penalty is paid to the payee. This bill also requires the 8 district attorneys to implement a uniform policy on collecting worthless instruments.