

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 759

FINAL READING

Introduced by Scheer, 19.

Read first time January 06, 2016

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to bank deposits and collections; to amend
- 2 section 4-403, Uniform Commercial Code, Reissue Revised Statutes of
- 3 Nebraska; to change provisions relating to stop-payment orders; to
- 4 repeal the original section; and to declare an emergency.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 4-403, Uniform Commercial Code, Reissue Revised
2 Statutes of Nebraska, is amended to read:

3 4-403 (a) A customer or any person authorized to draw on the account
4 if there is more than one person may stop payment of any item drawn on
5 the customer's account or close the account by an order to the bank
6 describing the item or account with reasonable certainty received at a
7 time and in a manner that affords the bank a reasonable opportunity to
8 act on it before any action by the bank with respect to the item
9 described in section 4-303. If the signature of more than one person is
10 required to draw on an account, any of these persons may stop payment or
11 close the account.

12 (b) A stop-payment order is effective for six months, but it lapses
13 after fourteen calendar days if the original order was oral and was not
14 confirmed in a record writing within that period. A stop-payment order
15 may be renewed for additional six-month periods by a record writing given
16 to the bank within a period during which the stop-payment order is
17 effective.

18 (c) The burden of establishing the fact and amount of loss resulting
19 from the payment of an item contrary to a stop-payment order or order to
20 close an account is on the customer. The loss from payment of an item
21 contrary to a stop-payment order may include damages for dishonor of
22 subsequent items under section 4-402.

23 Sec. 2. Original section 4-403, Uniform Commercial Code, Reissue
24 Revised Statutes of Nebraska, is repealed.

25 Sec. 3. Since an emergency exists, this act takes effect when
26 passed and approved according to law.