

W/D 3/26 (p. 1312)

SENATE FILE 2333
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 2239)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to surcharges imposed upon the makers of
2 dishonored negotiable instruments.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2333

S-5366

1 Amend Senate File 2333 as follows:
2 1. By striking everything after the enacting
3 clause and inserting the following:
4 "Section 1. Section 554.3507, subsection 5, Code
5 1989, is amended to read as follows:
6 5. The holder of a dishonored instrument may
7 assess against the maker of that instrument a
8 surcharge of not more than ~~ten~~ fifteen dollars for
9 each dishonored instrument. The surcharge authorized
10 by this section shall not be assessed unless the
11 holder clearly and conspicuously posts a notice at the
12 usual place of payment, or in the billing statement of
13 the holder, stating that a surcharge will be assessed
14 and the amount of the surcharge. However, such a the
15 surcharge shall not be assessed against the maker if
16 the reason for the dishonor of the instrument is that
17 the maker has stopped payment pursuant to section
18 554.4403."

CF 2333

By RICHARD VARN
MICHAEL E. GRONSTAL

S-5366 FILED MARCH 6, 1990

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5366 amended bill

1 Section 1. Section 554.3507, subsection 5, Code 1989, is
2 amended to read as follows:

3 5. The holder of a dishonored instrument with a face value
4 of fifty dollars or less may assess against the maker of that
5 instrument a surcharge of not more than ten dollars for each
6 dishonored instrument. The holder of a dishonored instrument
7 with a face value greater than fifty dollars may assess
8 against the maker of the instrument a surcharge of not more
9 than twenty dollars for each dishonored instrument. The
10 surcharge authorized by this section shall not be assessed
11 unless the holder clearly and conspicuously posts a notice at
12 the usual place of payment, or in the billing statement of the
13 holder, stating that a surcharge will be assessed and the
14 amount of the surcharge. However, such a surcharge shall not
15 be assessed against the maker if the reason for the dishonor
16 of the instrument is that the maker has stopped payment
17 pursuant to section 554.4403.

18 EXPLANATION

19 This bill amends current provisions limiting the surcharge
20 which the holder of a dishonored instrument, such as a check
21 returned for insufficient funds, may charge the maker of the
22 instrument (the person who wrote the check). Currently the
23 surcharge is limited to \$10. The bill would increase the
24 permissible surcharge to \$20 per dishonored instrument with a
25 face value over \$50. The permissible surcharge would remain
26 \$10 for an instrument with a face value of \$50 or less.

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BROWSTAL, CH.
HORN
DRAKE

SSB 2239
JUDICIARY

SENATE FILE 2333
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON VARN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to surcharges imposed upon the makers of
2 dishonored negotiable instruments.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 554.3507, subsection 5, Code 1989, is
2 amended to read as follows:

3 5. The holder of a dishonored instrument with a face value
4 of ten dollars or less may assess against the maker of that
5 instrument a surcharge of not more than ten dollars for each
6 dishonored instrument. The holder of a dishonored instrument
7 with a face value greater than ten dollars may assess against
8 the maker of the instrument a surcharge of not more than
9 twenty dollars for each dishonored instrument. The surcharge
10 authorized by this section shall not be assessed unless the
11 holder clearly and conspicuously posts a notice at the usual
12 place of payment, or in the billing statement of the holder,
13 stating that a surcharge will be assessed and the amount of
14 the surcharge. However, such a surcharge shall not be
15 assessed against the maker if the reason for the dishonor of
16 the instrument is that the maker has stopped payment pursuant
17 to section 554.4403.

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20 which the holder of a dishonored instrument, such as a check
21 returned for insufficient funds, may charge the maker of the
22 instrument (the person who wrote the check). Currently the
23 surcharge is limited to \$10. The bill would increase the
24 permissible surcharge to \$20 per dishonored instrument with a
25 face value over \$10. The permissible surcharge would remain
26 \$10 for an instrument with a face value of \$10 or less.

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