

6. This section does not prohibit claims or charges for anatomic pathology services presented on behalf of a public health clinic or nonprofit clinic that ordered the services provided that the clinic is identified on the claim or charge presented.

7. A violation of this section by a physician shall subject the physician to the disciplinary provisions of section 272C.3, subsection 2.

8. As used in this section:

a. "Anatomic pathology services" includes all of the following:

(1) Histopathology or surgical pathology, meaning the gross and microscopic examination and histologic processing of organ tissue, performed by a physician or under the supervision of a physician.

(2) Cytopathology, meaning the examination of cells from fluids, aspirates, washings, brushings, or smears, including the pap test examination, performed by a physician or under the supervision of a physician.

(3) Hematology, meaning the microscopic evaluation of bone marrow aspirates and biopsies performed by a physician or under the supervision of a physician, and the examination of peripheral blood smears, performed by a physician or under the supervision of a physician, upon the request of an attending or treating physician or technologist that a blood smear be reviewed by a physician.

(4) Subcellular pathology and molecular pathology services, performed by a physician or under the supervision of a physician.

(5) Bloodbanking services, performed by a physician or under the supervision of a physician.

b. "Physician" means any person licensed to practice medicine and surgery, osteopathic medicine and surgery, or osteopathy in this state or in another state.

Approved March 15, 2005

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## CHAPTER 11

### NEGOTIABLE INSTRUMENTS — ENFORCEMENT AND LIABILITIES

*S.F. 139*

**AN ACT** relating to negotiable instruments, by providing for liabilities among certain parties, and providing a statute of limitations.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 554.3103, subsections 2 and 3, Code 2005, are amended to read as follows:

2. Other definitions applying to this Article and the sections in which they appear are:

a.	"Acceptance"	Section 554.3409 <sub>1</sub>
b.	"Accommodated party"	Section 554.3419 <sub>1</sub>
c.	"Accommodation party"	Section 554.3419 <sub>1</sub>
d.	"Alteration"	Section 554.3407 <sub>1</sub>
e.	"Anomalous endorsement"	Section 554.3205 <sub>1</sub>
f.	"Blank endorsement"	Section 554.3205 <sub>1</sub>
g.	"Cashier's check"	Section 554.3104 <sub>1</sub>
h.	"Certificate of deposit"	Section 554.3104 <sub>1</sub>

<u>i.</u>	“Certified check”	Section 554.3409.
<u>j.</u>	“Check”	Section 554.3104.
<u>k.</u>	“Consideration”	Section 554.3303.
<u>l.</u>	“Demand draft”	Section 554.3104.
<u>m.</u>	“Draft”	Section 554.3104.
<u>n.</u>	“Holder in due course”	Section 554.3302.
<u>o.</u>	“Incomplete instrument”	Section 554.3115.
<u>p.</u>	“Endorsement”	Section 554.3204.
<u>q.</u>	“Endorser”	Section 554.3204.
<u>r.</u>	“Instrument”	Section 554.3104.
<u>s.</u>	“Issue”	Section 554.3105.
<u>t.</u>	“Issuer”	Section 554.3105.
<u>u.</u>	“Negotiable instrument”	Section 554.3104.
<u>v.</u>	“Negotiation”	Section 554.3201.
<u>w.</u>	“Note”	Section 554.3104.
<u>x.</u>	“Payable at a definite time”	Section 554.3108.
<u>y.</u>	“Payable on demand”	Section 554.3108.
<u>z.</u>	“Payable to bearer”	Section 554.3109.
<u>aa.</u>	“Payable to order”	Section 554.3109.
<u>ab.</u>	“Payment”	Section 554.3602.
<u>ac.</u>	“Person entitled to enforce”	Section 554.3301.
<u>ad.</u>	“Presentment”	Section 554.3501.
<u>ae.</u>	“Reacquisition”	Section 554.3207.
<u>af.</u>	“Special endorsement”	Section 554.3205.
<u>ag.</u>	“Teller’s check”	Section 554.3104.
<u>ah.</u>	“Transfer of instrument”	Section 554.3203.
<u>ai.</u>	“Traveler’s check”	Section 554.3104.
<u>aj.</u>	“Value”	Section 554.3303.
3.	The following definitions in other Articles apply to this Article:	
<u>a.</u>	“Bank”	Section 554.4105.
<u>b.</u>	“Banking day”	Section 554.4104.
<u>c.</u>	“Clearing house”	Section 554.4104.
<u>d.</u>	“Collecting bank”	Section 554.4105.
<u>e.</u>	“Depositary bank”	Section 554.4105.
<u>f.</u>	“Documentary draft”	Section 554.4104.
<u>g.</u>	“Intermediary bank”	Section 554.4105.
<u>h.</u>	“Item”	Section 554.4104.
<u>i.</u>	“Payor bank”	Section 554.4105.
<u>j.</u>	“Suspends payments”	Section 554.4104.

Sec. 2. Section 554.3104, Code 2005, is amended by adding the following new subsection:  
**NEW SUBSECTION.** 11. a. “Demand draft” means a writing not signed by a customer as defined in section 554.4104 that is created by a third party under the purported authority of the customer for the purpose of charging the customer’s account with a bank. The writing must contain the customer’s account number and may contain any of the following:

(1) The customer’s printed or typewritten name;  
(2) A notation that the customer authorized the draft; or  
(3) The statement “no signature required”, “authorized on file”, “signature on file”, or words to that effect.

b. “Demand draft” does not include a check purportedly drawn by and bearing the signature of a fiduciary as defined in section 554.3307.

Sec. 3. Section 554.3309, subsection 1, Code 2005, is amended to read as follows:

1. A person not in possession of an instrument is entitled to enforce the instrument if: ~~(i)~~  
~~a. the person was in possession of the instrument and entitled to enforce it seeking to enforce the instrument:~~

~~(1) was entitled to enforce the instrument when loss or<sup>1</sup> possession occurred, or  
(2) has directly or indirectly acquired ownership of the instrument from a person who was entitled to the instrument when loss of possession occurred, (ii);~~

~~b. the loss of possession was not the result of a transfer by the person or a lawful seizure; and (iii)~~

~~c. the person cannot reasonably obtain possession of the instrument because the instrument was destroyed, its whereabouts cannot be determined, or it is in the wrongful possession of an unknown person or a person that cannot be found or is not amenable to service of process.~~

Sec. 4. Section 554.3416, subsection 1, paragraphs d and e, Code 2005, are amended to read as follows:

d. the instrument is not subject to a defense or claim in recoupment of any party which can be asserted against the warrantor; ~~and~~

e. the warrantor has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor or, in the case of an unaccepted draft, the drawer; ~~and~~

f. if the instrument is a demand draft, creation of the instrument according to the terms on its face was authorized by the person identified as the drawer.

Sec. 5. Section 554.3416, Code 2005, is amended by adding the following new subsection:  
NEW SUBSECTION. 5. If a warranty under subsection 1, paragraph “f”, is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

Sec. 6. Section 554.3417, subsection 1, paragraphs b and c, Code 2005, are amended to read as follows:

b. the draft has not been altered; ~~and~~

c. the warrantor has no knowledge that the signature of the drawer of the draft is unauthorized; ~~and~~

d. if the draft is a demand draft, the creation of the demand draft according to the terms on its face was authorized by the person identified as the drawer.

Sec. 7. Section 554.3417, Code 2005, is amended by adding the following new subsections:  
NEW SUBSECTION. 7. A demand draft is a check as provided in section 554.3104, subsection 6.

NEW SUBSECTION. 8. If a warranty under subsection 1, paragraph “d”, is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

Sec. 8. NEW SECTION. 554.4111 STATUTE OF LIMITATIONS.

An action to enforce an obligation, duty, or right arising under this Article must be commenced within three years after the cause of action accrues.

Sec. 9. Section 554.4207, subsection 1, paragraphs d and e, Code 2005, are amended to read as follows:

d. the item is not subject to a defense or claim in recoupment (section 554.3305, subsection 1) of any party that can be asserted against the warrantor; ~~and~~

e. the warrantor has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor or, in the case of an unaccepted draft, the drawer; ~~and~~

f. if the item is a demand draft, creation of the item according to the terms on its face was authorized by the person identified as the drawer.

<sup>1</sup> The word “of” probably intended

Sec. 10. Section 554.4207, Code 2005, is amended by adding the following new subsection:  
NEW SUBSECTION. 6. If the warranty under subsection 1, paragraph “f”, is not given by a transferor or collecting bank under applicable conflict of laws rules, the warranty is not given to that transferor when the transferor is a transferee or to any prior collecting bank of that transferee.

Sec. 11. Section 554.4208, subsection 1, paragraphs b and c, Code 2005, are amended to read as follows:

- b. the draft has not been altered; and
- c. the warrantor has no knowledge that the signature of the purported drawer of the draft is unauthorized; and
- d. if the draft is a demand draft, the creation of the demand draft according to the terms on its face was authorized by the person identified as the drawer.

Sec. 12. Section 554.4208, Code 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 7. A demand draft is a check as provided in section 554.3104, subsection 6.

NEW SUBSECTION. 8. If a warranty under subsection 1, paragraph “d”, is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

Approved March 21, 2005

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## CHAPTER 12

### ABOVEGROUND PETROLEUM STORAGE TANKS — UPGRADE OR CLOSURE COSTS

*S.F. 141*

**AN ACT** relating to reimbursement to owners of aboveground petroleum storage tanks for costs associated with the upgrade or permanent closure of aboveground petroleum storage tanks.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 455G.23, subsection 2, paragraphs d and e, Code 2005, are amended to read as follows:

d. Upgrade expenses must be incurred after January 1, 2004, and not later than ~~February 18~~ December 31, 2005. Upgrade activities are limited to the installation or improvement of equipment or systems required to comply with 40 C.F.R. § 112, specifically:

- (1) Secondary containment.
- (2) Corrosion protection.
- (3) Loss prevention.
- (4) Security.
- (5) Drainage.
- (6) Removal of noncompliant tanks.

e. Permanent closure activities, including tank system removal, decommission, and dispos-