

SENATE BILL NO. 1627

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

6949S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 400.4-403, RSMo, and to enact in lieu thereof one new section relating to stop-payment orders under the uniform commercial code.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 400.4-403, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 400.4-403, to read as follows:

400.4-403. (a) A customer or any person authorized to
2 draw on the account if there is more than one person may
3 stop payment of any item drawn on the customer's account or
4 close the account by an order to the bank describing the
5 item or account with reasonable certainty received at a time
6 and in a manner that affords the bank a reasonable
7 opportunity to act on it before any action by the bank with
8 respect to the item described in section 400.4-303. If the
9 signature of more than one person is required to draw on an
10 account, any of these persons may stop payment or close the
11 account.

12 (b) A stop-payment order is effective [for six months]
13 **unless canceled by a person authorized to draw on the**
14 **account**, but it lapses after fourteen calendar days if the
15 original order was oral and was not confirmed in writing
16 within that period. [A stop-payment order may be renewed
17 for additional six-month periods by a writing given to the

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 bank within a period during which the stop-payment order is
19 effective.]

20 (c) The burden of establishing the fact and amount of
21 loss resulting from the payment of an item contrary to a
22 stop-payment order or order to close an account is on the
23 customer. The loss from payment of an item contrary to a
24 stop-payment order may include damages for dishonor of
25 subsequent items under Section 400.4-402.

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