

### 2001 DRAFTING REQUEST

#### Bill

Received: 12/13/2001

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **Jon Erpenbach (608) 266-6670**

By/Representing: **julie**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Erpenbach@legis.state.wi.us**

Carbon copy (CC:) to: **julie.laundrie@legis.state.wi.us**  
**robert.marchant@legis.state.wi.us**

---

#### Pre Topic:

No specific pre topic given

---

#### Topic:

Regulation of demand drafts

---

#### Instructions:

See Attached

---

#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 01/04/2002	rschluet 01/11/2002		_____			
/1	rmarchan 01/22/2002	jdyer 01/24/2002	pgreensl 01/11/2002	_____	lrb_docadmin 01/11/2002		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/2

pgreensl	_____
01/25/2002	_____
	_____
	_____

lrb_docadmin	lrb_docadmin
01/25/2002	02/01/2002
	lrb_docadmin
	02/01/2002

FE Sent For:

*none  
needed*

<END>

### 2001 DRAFTING REQUEST

#### Bill

Received: 12/13/2001

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **Jon Erpenbach (608) 266-6670**

By/Representing: **julie**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Erpenbach@legis.state.wi.us**

Carbon copy (CC:) to: **julie.laundrie@legis.state.wi.us**  
**robert.marchant@legis.state.wi.us**

---

#### Pre Topic:

No specific pre topic given

---

#### Topic:

Regulation of demand drafts

---

#### Instructions:

See Attached

---

#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 01/04/2002	rschluet 01/11/2002		_____			
/1	rmarchan 01/22/2002	jdyer 01/24/2002	pgreensl 01/11/2002	_____	lrb_docadmin 01/11/2002		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2			pgreensl _____ 01/25/2002 _____		lrb_docadmin 01/25/2002		

FE Sent For:

<END>

**2001 DRAFTING REQUEST**

**Bill**

Received: **12/13/2001**

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **Jon Erpenbach (608) 266-6670**

By/Representing: **julie**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Erpenbach@legis.state.wi.us**

Carbon copy (CC:) to: **julie.laundrie@legis.state.wi.us**  
**robert.marchant@legis.state.wi.us**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Regulation of demand drafts

---

**Instructions:**

See Attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 01/04/2002	rschluet 01/11/2002		<del>1/25</del>			
/1		 1-21-02 12/24/02 jld	pgreensl 01/11/2002 1/25 P8	<del>self</del>	lrb_docadmin 01/11/2002		

FE Sent For:

**<END>**

2001 DRAFTING REQUEST

Bill

Received: 12/13/2001

Received By: rmarchan

Wanted: As time permits

Identical to LRB:

For: Jon Erpenbach (608) 266-6670

By/Representing: julie

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Addl. Drafters:

Subject: Fin. Inst. - banking inst.

Extra Copies: PJD

Submit via email: YES

Requester's email: Sen.Erpenbach@legis.state.wi.us

Carbon copy (CC:) to: julie.laundrie@legis.state.wi.us  
robert.marchant@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Regulation of demand drafts

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan	<i>02</i> <i>1/8</i> <i>1/11 jld</i>	<i>1/11</i> <i>PG</i>	<i>1/11</i> <i>PG/13</i>			

FE Sent For:

<END>



## Demand Draft Consumer Protection Legislation

### Background

An increasing number of consumer purchases for goods and services are made over the telephone and by computer. Today, there are generally three ways for the consumer to pay for the purchase: credit card, an electronic debit to the consumer's account by using the Automated Clearing House system (ACH), or by providing the merchant/telemarketer ("merchant") with their checking account information and thereby "authorizing" the merchant to create a paper check that is used to debit the consumer's account. Where the signature would go on the paper check, the merchant prints a legend like "Debiting of Account Authorized by [Customer]."

With credit card and ACH transactions, if the consumer has a problem with the merchant, or didn't really authorize the transaction, the consumer and the consumer's bank have a number of protections that allow the transaction to be reversed. With preauthorized paper demand drafts (also called "telechecks"), it is much more difficult for the consumer to prove that the transaction was not authorized, and it is extremely difficult for the consumer's bank to return these preauthorized demand drafts to the financial institution where the merchant has its deposit account ("depository bank"). In effect, by creating a paper check allegedly authorized by the consumer, the merchant is able to circumvent many consumer protection regulations.

The proposed legislation would protect consumers and their bank from persons that initiate *unauthorized* paper demand drafts and would shift the initial risk of loss from the consumer's bank to the originating/depository bank in the following ways:

- The bill makes the consumer protections compatible with that of the national electronic funds transfer laws (Regulation E and ACH) that have been in effect for years. Under those regulations, the *initial* risk of loss is placed on the originating/depository bank.
- The bill places the loss for unauthorized transactions on the merchant or the originating/depository bank they opened their business account with rather than on the consumer's bank by creating a transfer warranty that states that the creation of the paper demand draft was authorized by the person identified as the "drawer."
- The bill merely shifts the *initial* risk of loss from one bank to another, and *does not impair or affect in any manner* a consumer's right or ability to question the payment of unauthorized items from the consumer's account.
- Because the originating/depository bank (the merchant's bank) would warrant that the paper demand draft was authorized by the consumer, the depository bank would be forced to investigate the merchant carefully before opening the account.

To date, virtually identical legislation has been passed in eight states - California, Hawaii, North Dakota, Oregon, Texas, Utah, Colorado, and West Virginia. Uniform legislation for all states is currently under consideration.

**The Community Bankers of Wisconsin (CBW) respectfully requests your support of the following proposal that will benefit Wisconsin consumers and community banks. Questions can be directed to Daryll Lund, CBW President & CEO at 608/833-4229.**

By: Carona  
Economic Development  
3-18-97  
As Filed

## **DIGEST**

Currently, demand drafts are being used by merchants, telemarketers and out-of-state collection agencies as a way of directly debiting a consumer's bank account without the consumer writing a check. Because of the volume of such transactions banks cannot determine which drafts are authorized, and so the bank typically pays these drafts. This bill would allow a bank that pays an unauthorized demand draft to return it to the originating bank or other financial institution for restitution.

## **PURPOSE**

As proposed, S.B. 1162 allows a bank that pays an unauthorized demand draft to return it to the originating bank or other financial institution for restitution.

## **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 3.103(b), Business & Commerce Code, to provide that the definition of demand draft in Section 3.104, Business & Commerce Code, applies to this chapter.

SECTION 2. Amends Section 3.014, Business & Commerce Code, to define "demand draft."

SECTION 3. Amends Section 3.416, Business & Commerce Code, by amending Subsection (a) and adding Subsection (e), to provide that a person warrants that the creation of the instrument according to the terms on its face was authorized by the person identified as drawer, this instrument is a demand draft. Provides that if the warranty in Subsection (a)(6) is not given by a transferor under applicable conflict of law rules, the warranty is not given to that transferor when the transferor is a transferee.

SECTION 4. Amends Section 3.417, Business & Commerce Code, to provide that certain persons warrant to the drawee making payment or accepting the draft in good faith that if the instrument is a demand draft, the creation of the draft according to the

terms on its face was authorized by the person identified as drawer. Provides that a demand draft is a check. Provides that if the warranty under Subsection (a)(4) 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.

SECTION 5. Amends Section 4.207, Business & Commerce Code, by amending Subsection (a) and adding Subsection (f), to provide that if the warranty under Subsection (a)(6) is not given by a transferor or collecting bank under applicable conflict of law rules, a warranty is not given to that transferor when that transferor is a transferee or to any prior collecting bank of that transferee. Makes a conforming change.

SECTION 6. Amends Section 4.208, Business and Commerce Code, to make conforming changes.

SECTION 7. Effective date: September 1, 1997.

SECTION 8. Emergency clause.

S.B. No. 1162

## AN ACT

relating to the warranties on the transfer or presentment of demand drafts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (b), Section 3.103, Business & Commerce Code, is amended to read as follows:

(b) Other definitions applying to this chapter and the sections in which they appear are:

"Acceptance"Section 3.409.

"Accommodated party"Section 3.419.

"Accommodation party"Section 3.419.

"Alteration"Section 3.407.  
"Anomalous indorsement"Section 3.205.  
"Blank indorsement"Section 3.205.  
"Cashier's check"Section 3.104.  
"Certificate of deposit"Section 3.104.  
"Certified check"Section 3.409.  
"Check"Section 3.104.  
"Consideration"Section 3.303.  
"Demand draft"Section 3.104.  
"Draft"Section 3.104.  
"Holder in due course"Section 3.302.  
"Incomplete instrument"Section 3.115.  
"Indorsement"Section 3.204.  
"Indorser"Section 3.204.  
"Instrument"Section 3.104.  
"Issue"Section 3.105.  
"Issuer"Section 3.105.  
"Negotiable instrument"Section 3.104.  
"Negotiation"Section 3.201.  
"Note"Section 3.104.  
"Payable at a definite time"Section 3.108.  
"Payable on demand"Section 3.108.  
"Payable to bearer"Section 3.109.  
"Payable to order"Section 3.109.  
"Payment"Section 3.602.  
"Person entitled to enforce"Section 3.301.  
"Presentment"Section 3.501.

"Reacquisition" Section 4-3-207

"Special indorsement" Section 4-3-205

"Teller's check" Section 4-3-104

"Transfer of instrument" Section 4-3-203

"Traveler's check" Section 4-3-104

"Value" Section 4-3-303

**SECTION 3. 4-3-104 (f), Colorado Revised Statutes, is amended, and the said 4-3-104 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:**

**4-3-104. Negotiable instrument. (f) "Check" means (i) a draft, other than a documentary draft, payable on demand and drawn on a bank, or (ii) a cashier's check or teller's check, or (iii) a demand draft. An instrument may be a check even though it is described on its face by another term, such as "money order."**

**(k) (i) "Demand draft" means a writing not signed by the customer 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. A demand draft shall contain the customer's account number and shall contain any or all of the following:**

- (1) The customer's printed or typewritten name;**
- (2) A notation that the customer authorized the draft; or**

"Reacquisition"Section 3.207.

"Special indorsement"Section 3.205.

"Teller's check"Section 3.104.

"Transfer of instrument"Section 3.203.

"Traveler's check"Section 3.104.

"Value"Section 3.303.

SECTION 2. Section 3.104, Business & Commerce Code, is amended by adding Subsection (k) to read as follows:

(k) "Demand draft" means a writing that is not signed by a customer, as defined in Section 4.104(a)(5), and 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. A demand draft does not include a check drawn by a fiduciary, as defined in Section 3.307. A demand draft may contain any or all of the following:

- (1) the customer's printed or typewritten name or account number;
- (2) a notation that the customer authorized the draft; and
- (3) the statement "No signature required," "Authorization on file,"

"Signature on file," or words to that effect.

SECTION 3. Section 3.416, Business & Commerce Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) A person who transfers an instrument for consideration warrants to the transferee and, if the transfer is by indorsement, to any subsequent transferee that:

- (1) the warrantor is a person entitled to enforce the instrument;
- (2) all signatures on the instrument are authentic and authorized;
- (3) the instrument has not been altered;
- (4) the instrument is not subject to a defense or claim in recoupment of

any party that can be asserted against the warrantor; ~~and~~

(11) See, e.g., UCC §§ 1-201(39), 3-401(2), 3-403(1) (1990).

(12) See, e.g., UCC §§ 1-201(43), 3-401 (1990).

(13) See UCC §§ 4-401, 4-406 (1990).

(14) See UCC § 3-407(3) (1990).

(15) See UCC § 3-406 (1990); FTC's Statement of Basis and Purpose to the Telemarketing Sales Rule, 60 Fed. Reg. 43,850 (1995) (discussing Federal Reserve Bank of San Francisco Comment).

(5) 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

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

(e) If the warranty under Subsection (a)(6) is not given by a transferor under applicable conflict of law rules, the warranty is not given to that transferor when that transferor is a transferee.

SECTION 4. Section 3.417, Business & Commerce Code, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) If an unaccepted draft is presented to the drawee for payment or acceptance and the drawee pays or accepts the draft, (i) the person obtaining payment or acceptance, at the time of presentment, and (ii) a previous transferor of the draft, at the time of transfer, warrant to the drawee making payment or accepting the draft in good faith that:

(1) the warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a person entitled to enforce the draft;

(2) the draft has not been altered; ~~and~~

(3) the warrantor has no knowledge that the signature of the drawer of the draft is unauthorized; and

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

(g) If the warranty under Subsection (a)(4) is not given by a transferor under applicable conflict of law rules, the warranty is not given to that transferor when that transferor is a transferee.

SECTION 5. Section 4.207, Business & Commerce Code, is amended by amending Subsection (a) and adding Subsection (f) to read as follows:

(a) A customer or collecting bank that transfers an item and receives a settlement or other consideration warrants to the transferee and to any subsequent collecting bank that:

(1) the warrantor is a person entitled to enforce the item;

(2) all signatures on the item are authentic and authorized;

(3) the item has not been altered;

(4) the item is not subject to a defense or claim in recoupment (Section 3.305(a)) of any party that can be asserted against the warrantor; ~~and~~

(5) 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

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

(f) If the warranty under Subsection (a)(6) is not given by a transferor or collecting bank under applicable conflict of law rules, the warranty is not given to that transferor when that transferor is a transferee or to any prior collecting bank of that transferee.

SECTION 6. Section 4.208, Business & Commerce Code, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) If an unaccepted draft is presented to the drawee for payment or acceptance and the drawee pays or accepts the draft, (i) the person obtaining payment or acceptance, at the time of presentment, and (ii) a previous transferor of the draft, at the time of transfer, warrant to the drawee that pays or accepts the draft in good faith that:

(1) the warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a person entitled to enforce the draft;

(2) the draft has not been altered; ~~[and]~~

(3) the warrantor has no knowledge that the signature of the purported drawer of the draft is unauthorized; and

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

(g) If the warranty under Subsection (a)(4) is not given by a transferor under applicable conflict of law rules, the warranty is not given to that transferor when that transferor is a transferee.

SECTION 7. This Act takes effect September 1, 1997.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

---

President of the Senate

---

Speaker of the House

I hereby certify that S.B. No. 1162 passed the Senate on April 17, 1997, by the following vote: Yeas 31, Nays 0.

---

Secretary of the Senate

I hereby certify that S.B. No. 1162 passed the House on May 2, 1997, by a non-record vote.

---

**Chief Clerk of the House**

**Approved:**

---

**Date**

---

**Governor**

Send this to a friend: [yourfriend@domain.com](mailto:yourfriend@domain.com)



HOUSE BILL 01-1252

BY REPRESENTATIVE(S) White and Rippy;  
also SENATOR(S) Taylor, Cairns, Evans, and May.

Concerning demand drafts under the "Uniform Commercial Code".

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1. Legislative declaration.** (1) The general assembly finds that modern check collection methods have increased the risk on payor banks that items not bearing authorized signatures may be paid against customer accounts. The general assembly determines that adding a new class of payment instrument, drawn on a bank customer's account without an authorized signature, is necessary to shift the risk of loss for processing this instrument to the depository-collecting bank which is in the best position to prevent its introduction into the check collection system. Therefore, the general assembly declares that such a shift will more adequately protect consumers and allow for new check collection methods.

(2) The general assembly also finds that a new definition of "demand draft" is intended to identify a payment instrument created to debit a bank customer's account with the bank by a party who is not a signer on the account. This payment instrument is not signed by an authorized signer on the account and does not bear or purport to bear a signature of an authorized signer. This payment instrument is intended to debit the bank customer's account by deposit and collection through the normal check collection system. A demand draft may be created by a third party, such as a telemarketer, with the authorization of the bank customer to obtain payment from the bank customer's account as a means to pay the third party. A demand draft may also be created by a third party, such as a home banking service provider, as a means to pay itself or others. The customer's account number and other processing information is encoded on the demand draft and the demand draft deposited in a bank for collection through normal banking channels and payment by the payor bank. Because checks and other items deposited for collection are processed rapidly and in high volume, payor banks are not able to determine if customers authorize the creation of demand drafts. The general assembly, therefore, further declares the depository bank, which is charged with knowing its customer, is in the best position to avoid the introduction into the check collection system of an unauthorized demand draft by scrutinizing the customers allowed to deposit those drafts. Thus, the general assembly declares that an additional warranty is justified in the case of a demand draft to each transferee that the demand draft was authorized by the bank customer upon whose account it is drawn. This change shifts the risk to the depository bank if its customer deposits an unauthorized demand draft for collection.

(3) The general assembly further finds, determines, and declares that demand drafts do not include instruments that bear forged or unauthorized signatures of customers. Demand drafts do not include instruments drawn or purportedly drawn and signed by a "fiduciary" as defined in section 4-3-307 (a) (1), Colorado Revised Statutes. Instruments bearing forged or unauthorized signatures should be handled under the forgery provisions and unauthorized signature provisions of articles 3 and 4 of the "Uniform Commercial Code", as applicable.

**SECTION 2.** 4-3-103 (b), Colorado Revised Statutes, is amended to read:

**4-3-103. Definitions.** (b) Other definitions applying to this article and the sections in which they appear are:

"Acceptance" Section 4-3-409

"Accommodated party" Section 4-3-419

"Accommodation party" Section 4-3-419

"Alteration" Section 4-3-407

"Anomalous indorsement" Section 4-3-205

"Blank indorsement" Section 4-3-205

"Cashier's check" Section 4-3-104

"Certificate of deposit" Section 4-3-104

"Certified check" Section 4-3-409

"Check" Section 4-3-104

"Consideration" Section 4-3-303

"Demand draft" Section 4-3-104

"Draft" Section 4-3-104

"Holder in due course" Section 4-3-302

"Incomplete instrument" Section 4-3-115

"Indorsement" Section 4-3-204

**"Indorser" Section 4-3-204**

**"Instrument" Section 4-3-104**

**"Issue" Section 4-3-105**

**"Issuer" Section 4-3-105**

**"Negotiable instrument" Section 4-3-104**

**"Negotiation" Section 4-3-201**

**"Note" Section 4-3-104**

**"Payable at a definite time" Section 4-3-108**

**"Payable on demand" Section 4-3-108**

**"Payable to bearer" Section 4-3-109**

**"Payable to order" Section 4-3-109**

**"Payment" Section 4-3-602**

**"Person entitled to enforce" Section 4-3-301**

**"Presentment" Section 4-3-501**

(3) The statement "No signature required" or words to that effect,

(ii) A demand draft shall not include a check purportedly drawn by and bearing the signature of a fiduciary, as defined in section 4-3-307 (a) (1).

**SECTION 4. 4-3-416 (a), Colorado Revised Statutes, is amended, and the said 4-3-416 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:**

**4-3-416. Transfer warranties. (a) A person who transfers an instrument for consideration warrants to the transferee and, if the transfer is by indorsement, to any subsequent transferee that:**

- (1) The warrantor is a person entitled to enforce the instrument;
  - (2) All signatures on the instrument are authentic and authorized;
  - (3) The instrument has not been altered;
  - (4) The instrument is not subject to a defense or claim in recoupment of any party which can be asserted against the warrantor; and
  - (5) 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
  - (6) 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 drawer. Nothing in this section shall be construed to impair the rights of the drawer against the drawee.
- (e) If the warranty in paragraph (6) of subsection (a) of this section is not given by a transferor under applicable conflict of law rules, then the warranty is not given to that transferor when that transferor is a transferee.

**SECTION 5. 4-3-417 (a), Colorado Revised Statutes, is amended, and the said 4-3-417 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:**

**4-3-417. Presentment warranties. (a)** If an unaccepted draft is presented to the drawee or payment or acceptance and the drawee pays or accepts the draft, (i) the person obtaining payment or acceptance, at the time of presentment, and (ii) a previous transferor of the draft, at the time of transfer, warrant to the drawee making payment or accepting the draft in good faith that:

(1) The warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a person entitled to enforce the draft;

(2) The draft has not been altered; and

(3) The warrantor has no knowledge that the signature of the drawer of the draft is unauthorized; and

(4) If the draft is a demand draft, creation of the demand draft according to the terms on its face was authorized by the person identified as drawer. Nothing in this section shall be construed to impair the rights of the drawer against the drawee.

(g) A demand draft is a check, as provided in section 4-3-104 (f).

(h) If the warranty in paragraph (4) of subsection (a) of this section is not given by a transferor under applicable conflict of law rules, then the warranty is not given to that transferor when that transferor is a transferee.

**SECTION 6. 4-4-207 (a), Colorado Revised Statutes, is amended, and the said 4-4-207 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:**

**4-4-207. Transfer warranties. (a)** A customer or collecting bank that transfers an item and

receives a settlement or other consideration warrants to the transferee and to any subsequent collecting bank that:

- (1) The warrantor is a person entitled to enforce the item;
- (2) All signatures on the item are authentic and authorized;
- (3) The item has not been altered;
- (4) The item is not subject to a defense or claim in recoupment (section 4-3-305 (a)) of any party that can be asserted against the warrantor; and
- (5) 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
- (6) 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 drawer. Nothing in this section shall be construed to impair the rights of the drawer against the drawee.
- (f) If the warranty in paragraph (6) of subsection (a) of this section is not given by a transferor or collecting bank under applicable conflict of law rules, then the warranty is not given to that transferor when that transferor is a transferee, nor to any prior collecting bank of that transferee.

**SECTION 7. 4-4-208 (a), Colorado Revised Statutes, is amended, and the said 4-4-208 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:**

**4-4-208. Presentment warranties. (a)** If an unaccepted draft is presented to the drawee for payment or acceptance and the drawee pays or accepts the draft, (i) the person obtaining payment or acceptance, at the time of presentment, and (ii) a previous transferor of the draft, at the time of transfer, warrant to the drawee that pays or accepts the draft in good faith that:

- (1) The warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a

person entitled to enforce the draft;

(2) The draft has not been altered; and

(3) The warrantor has no knowledge that the signature of the purported drawer of the draft is unauthorized; and

(4) If the draft is a demand draft, creation of the demand draft according to the terms on its face was authorized by the person identified as drawer. Nothing in this section shall be construed to impair the rights of the drawer against the drawee.

(g) A demand draft is a check, as provided in section 4-3-104 (f).

(h) If the warranty in paragraph (4) of subsection (a) of this section is not given by a transferor under applicable conflict of law rules, then the warranty is not given to that transferor when that transferor is a transferee.

**SECTION 8. Effective date - applicability.** (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to demand drafts issued on or after the applicable effective date of this act.

---

Doug Dean Stan Matsunaka

**SPEAKER OF THE HOUSE PRESIDENT OF  
OF REPRESENTATIVES THE SENATE**

---

**Judith Rodrigue Karen Goldman**

**CHIEF CLERK OF THE HOUSE SECRETARY OF  
OF REPRESENTATIVES THE SENATE**

**APPROVED** \_\_\_\_\_

---

**Bill Owens**

**GOVERNOR OF THE STATE OF COLORADO**

---

Send this to a friend: [youname@domain.com](mailto:youname@domain.com)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-4416/3 1

RJM:js... jld  
Am NR

Due  
1-15-02

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

DRAFT

Gov

1 AN ACT ...; relating to: regulating the negotiation and collection of demand  
2 drafts.

**Analysis by the Legislative Reference Bureau**

This bill regulates the negotiation and collection of demand drafts. A demand draft is generally an instrument, similar to a check, which is created by a third party, often a merchant, under the purported authority of another person for the purpose of charging that person's account at a bank, savings and loan, credit union, or other banking institution (bank). Like a check, a demand draft contains the routing and account numbers necessary to route the demand draft through a bank's check clearing system. Unlike a check, though, a demand draft does not contain the signature of the account holder. Rather, it typically contains a statement such as "No signature required" or "Authorization on file."

Under Articles 3 and 4 of the Uniform Commercial Code (UCC), as enacted in this state, a demand draft is treated like a check. Thus, in order to be effective, a demand draft generally must be authenticated by the account holder, through the use of a signature or any other word, mark, or symbol executed or adopted by the account holder. The UCC imposes certain warranties with regard to this authentication. For example, when the third party that created the demand draft deposits it with his or her bank, the third party warrants that all signatures, words, marks, or symbols used to authenticate the demand draft are authentic and authorized. The same warranty applies to any bank that subsequently handles the demand draft for collection, other than the account holder's bank. When the account holder's bank pays or accepts the demand draft, the person obtaining payment or

acceptance warrants to the bank that the person has no knowledge that the signature of the account holder is unauthorized. The UCC permits the account holder's bank to charge the amount of a demand draft against the relevant account if, among other things, the demand draft is authorized by the account holder. In addition, the UCC requires the account holder to examine its bank statements in order to determine whether any payment by the bank was improper as a result of an unauthorized authentication.

This bill incorporates into the UCC additional warranties that apply specifically to demand drafts. Under this bill, a person who transfers a demand draft for consideration or who obtains payment for a demand draft from the account holder's bank warrants that the account holder authorized the creation of the demand draft according to the terms on its face. In addition, under the bill, when the third party that created the demand draft deposits it with his or her bank, the third party warrants that the account holder authorized the creation of the demand draft according to the terms on its face. The same warranty applies to any bank that subsequently handles the demand draft for collection, other than the account holder's bank. The bill also creates an exception from these additional warranties relating to persons who are governed by laws of another jurisdiction that do not provide similar warranties.

The acceptance of demand drafts by certain telemarketers is currently regulated under federal law and rules of the department of agriculture, trade and consumer protection. This bill has no effect on those regulations and rules.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1 SECTION 1. 403.103 (2) (hr) of the statutes is created to read:

2 403.103 (2) (hr) "Demand draft" — s. 403.104 (11).

3 SECTION 2. 403.104 (6) of the statutes is amended to read:

4 403.104 (6) "Check" means a draft, other than a documentary draft, payable  
5 on demand and drawn on a bank or means a cashier's check or, teller's check, or  
6 demand draft. An instrument may be a check even though it is described on its face  
7 by another term, such as money order.

8 History: 1995 a. 449. SECTION 3. 403.104 (11) of the statutes is created to read:

9 403.104 (11) (a) Except as provided under par. (b), "demand draft" means a  
10 writing that is not signed by a customer, as defined in s. 404.104 (1) (e), that is

1 created by a <sup>3rd</sup> party under the purported authority of the customer for the  
 2 purpose of charging the customer's account with a bank, that contains the account  
 3 number of that account, and that contains at least one of the following:

4 1. The customer's name.

5 2. A notation that the customer authorized the demand draft.

6 3. The statement "No signature required," "Authorization on file," or  
 7 "Signature on file," or words to that effect.

8 (b) "Demand draft" does not include a check drawn by a fiduciary, as defined  
 9 in s. 403.307 (1) (a).

10 SECTION 4. 403.416 (1) (intro.) of the statutes is amended to read:

11 403.416 (1) (intro.) ~~is~~ Except as provided under sub. (5), a person who transfers  
 12 an instrument for consideration warrants to the transferee and, if the transfer is by  
 13 endorsement, to any subsequent transferee that all of the following apply:

14 ~~History: 1995 a. 449.~~

SECTION 5. 403.416 (1) (f) of the statutes is created to read:

15 403.416 (1) (f) If the instrument is a demand draft, the creation of the  
 16 instrument according to the terms on its face was authorized by the person identified  
 17 as the drawer.

18 SECTION 6. 403.416 (5) of the statutes is created to read:

19 403.416 (5) If the warranty under sub. (1) (f) is not given by a transferor under  
 20 applicable conflict of law rules, the warranty is not given to that transferor when that  
 21 transferor is a transferee.

22 SECTION 7. 403.417 (1) (intro.) of the statutes is amended to read:

23 403.417 (1) (intro.) If Except as provided under sub. (7), if an unaccepted draft  
 24 is presented to the drawee for payment or acceptance and the drawee pays or accepts

1 the draft, the person obtaining payment or acceptance, at the time of presentment,  
2 and a previous transferor of the draft, at the time of transfer, warrant to the drawee  
3 making payment or accepting the draft in good faith that all of the following apply:

History: 1995 a. 449.

4 **SECTION 8.** 403.417 (1) (d) ✓ of the statutes is created to read:

5 403.417 (1) (d) If the instrument is a demand draft, the creation of the  
6 instrument according to the terms on its face was authorized by the person identified  
7 as the drawer.

8 **SECTION 9.** 403.417 (7) ✓ of the statutes is created to read:

9 403.417 (7) If the warranty under sub. (1) (d) ✓ is not given by a transferor under  
10 applicable conflict of law rules, the warranty is not given to that transferor when that  
11 transferor is a transferee.

12 **SECTION 10.** 404.104 (3) (fe) ✓ of the statutes is created to read:

13 404.104 (3) (fe) "Demand draft" — s. 403.104 (11).

14 **SECTION 11.** 404.207 (1) (intro.) ✓ of the statutes is amended to read:

15 404.207 (1) (intro.) ~~AA~~ Except as provided under sub. (6) ✓, a customer or collecting  
16 bank that transfers an item and receives a settlement or other consideration  
17 warrants all of the following to the transferee and to any subsequent collecting bank:

History: 1995 a. 449.

18 **SECTION 12.** 404.207 (1) (f) ✓ of the statutes is created to read:

19 404.207 (1) (f) If the item is a demand draft, the creation of the item according  
20 to the terms on its face was authorized by the person identified as the drawer.

21 **SECTION 13.** 404.207 (6) ✓ of the statutes is created to read:

22 404.207 (6) If the warranty under sub. (1) (f) ✓ is not given by a transferor or  
23 collecting bank ✓ under applicable conflict of law rules, the warranty is not given to

1 that transferor when that transferor is a transferee or to any prior collecting bank  
2 of that transferee.

3 SECTION 14. 404.208 (1) (intro.)<sup>✓</sup> of the statutes is amended to read:

4 404.208 (1) (intro.) If Except as provided under sub.<sup>✓</sup>(7), if an unaccepted draft  
5 is presented to the drawee for payment or acceptance and the drawee pays or accepts  
6 the draft, the person obtaining payment or acceptance, at the time of presentment,  
7 and a previous transferor of the draft, at the time of transfer, warrant to the drawee  
8 that pays or accepts the draft in good faith that all of the following conditions exist:

9 ~~History: 1995 a. 449.~~

9 SECTION 15. 404.208 (1) (d)<sup>✓</sup> of the statutes is created to read:

10 404.208 (1) (d) If the draft is a demand draft, the creation of the draft according  
11 to the terms on its face was authorized by the person identified as the drawer.

12 SECTION 16. 404.208 (7)<sup>✓</sup> of the statutes is created to read:

13 404.208 (7) If the warranty under sub. (1) (d)<sup>✓</sup> is not given by a transferor under  
14 applicable conflict of law rules, the warranty is not given to that transferor when that  
15 transferor is a transferee.

16 (END)

D-note  
↓

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-4416/dn

RJM:.....

Date

B  
+ JLD

Senator Erpenbach:

Attached is the demand draft legislation you requested. As you review the draft, please note the following issues:

1. This draft makes changes to Articles 3 and 4 of the Uniform Commercial Code. As a result, this draft would make Wisconsin law with regard to negotiable instruments and bank collections nonuniform, as compared with the version of Articles 3 and 4 recommended for passage in all the states.

2. The definitions of "demand draft" provided to me in the Texas and Colorado bills were problematic both because they conflict with one another and because it is unclear what they mean. The Texas bill states that a demand draft "may" contain the customer's name or account number, a notation that the customer authorized the draft, and the statement "no signature required." While this language may be helpful in identifying some demand drafts, it is problematic to list some of the items a demand draft might contain. Listing these items and not others is likely to cause confusion because it will be unclear whether a demand draft that lacks these items, or that contains these and other items not listed in the statutes, fits within the definition. Colorado apparently recognized this problem. The Colorado bill instead states that a demand draft must contain the customer's account number and must contain the customer's name, a notation that the customer authorized the draft, and/or the statement "no signature required." However, because the Colorado requirements are stated in a separate sentence following the definition, it is unclear whether the requirements apply to all demand drafts or are part of the definition of "demand draft."

I used the definition from the Colorado bill, with the clarification that the requirements discussed above are part of the definition. See proposed s. 403.104 (11). Please let me know if I have misunderstood your intent.

3. I assumed that you intend to amend the definition of "check" in s. 403.104 (6), stats., to include demand drafts. This treatment clarifies that demand drafts are required to be handled like all other checks (except that demand drafts are subject to additional warranties under the bill). Please let me know if I have misunderstood your intent.

Please feel free to call if you have any questions or if you desire any changes to the draft.

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: robert.marchant@legis.state.wi.us

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-4416/1dn  
RJM:jld:pg

January 11, 2002

Senator Erpcnbach:

Attached is the demand draft legislation you requested. As you review the draft, please note the following issues:

1. This draft makes changes to Articles 3 and 4 of the Uniform Commercial Code. As a result, this draft would make Wisconsin law with regard to negotiable instruments and bank collections nonuniform, as compared with the version of Articles 3 and 4 recommended for passage in all the states.

2. The definitions of "demand draft" provided to me in the Texas and Colorado bills were problematic both because they conflict with one another and because it is unclear what they mean. The Texas bill states that a demand draft "may" contain the customer's name or account number, a notation that the customer authorized the draft, and the statement "no signature required." While this language may be helpful in identifying some demand drafts, it is problematic to list some of the items a demand draft might contain. Listing these items and not others is likely to cause confusion because it will be unclear whether a demand draft that lacks these items, or that contains these and other items not listed in the statutes, fits within the definition. Colorado apparently recognized this problem. The Colorado bill instead states that a demand draft must contain the customer's account number and must contain the customer's name, a notation that the customer authorized the draft, and/or the statement "no signature required." However, because the Colorado requirements are stated in a separate sentence following the definition, it is unclear whether the requirements apply to all demand drafts or are part of the definition of "demand draft."

I used the definition from the Colorado bill, with the clarification that the requirements discussed above are part of the definition. See proposed s. 403.104 (11). Please let me know if I have misunderstood your intent.

3. I assumed that you intend to amend the definition of "check" in s. 403.104 (6), stats., to include demand drafts. This treatment clarifies that demand drafts are required to be handled like all other checks (except that demand drafts are subject to additional warranties under the bill). Please let me know if I have misunderstood your intent.

Please feel free to call if you have any questions or if you desire any changes to the draft.

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: robert.marchant@legis.state.wi.us



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-4416/2  
RJM:rs&jld:pg

*Soon*

*PMR*

**2001 BILL**

*Today*

*Reger*

1 **AN ACT to amend** 403.104 (6), 403.416 (1) (intro.), 403.417 (1) (intro.), 404.207  
2 (1) (intro.) and 404.208 (1) (intro.); and **to create** 403.103 (2) (hr), 403.104 (11),  
3 403.416 (1) (f), 403.416 (5), 403.417 (1) (d), 403.417 (7), 404.104 (3) (fe), 404.207  
4 (1) (f), 404.207 (6), 404.208 (1) (d) and 404.208 (7) of the statutes; **relating to:**  
5 **regulating the negotiation and collection of demand drafts.**

***Analysis by the Legislative Reference Bureau***

This bill regulates the negotiation and collection of demand drafts. A demand draft is generally an instrument, similar to a check, which is created by a third party, often a merchant, under the purported authority of another person for the purpose of charging that person's account at a bank, savings and loan, credit union, or other banking institution (bank). Like a check, a demand draft contains the routing and account numbers necessary to route the demand draft through a bank's check clearing system. Unlike a check, though, a demand draft does not contain the signature of the account holder. Rather, it typically contains a statement such as "No signature required" or "Authorization on file."

Under Articles 3 and 4 of the Uniform Commercial Code (UCC), as enacted in this state, a demand draft is treated like a check. Thus, in order to be effective, a demand draft generally must be authenticated by the account holder, through the use of a signature or any other word, mark, or symbol executed or adopted by the account holder. The UCC imposes certain warranties with regard to this authentication. For example, when the third party that created the demand draft

**BILL**

deposits it with his or her bank, the third party warrants that all signatures, words, marks, or symbols used to authenticate the demand draft are authentic and authorized. The same warranty applies to any bank that subsequently handles the demand draft for collection, other than the account holder's bank. When the account holder's bank pays or accepts the demand draft, the person obtaining payment or acceptance warrants to the bank that the person has no knowledge that the signature of the account holder is unauthorized. The UCC permits the account holder's bank to charge the amount of a demand draft against the relevant account if, among other things, the demand draft is authorized by the account holder. In addition, the UCC requires the account holder to examine its bank statements in order to determine whether any payment by the bank was improper as a result of an unauthorized authentication.

This bill incorporates into the UCC additional warranties that apply specifically to demand drafts. Under this bill, a person who transfers a demand draft for consideration or who obtains payment for a demand draft from the account holder's bank warrants that the account holder authorized the creation of the demand draft according to the terms on its face. In addition, under the bill, when the third party that created the demand draft deposits it with his or her bank, the third party warrants that the account holder authorized the creation of the demand draft according to the terms on its face. The same warranty applies to any bank that subsequently handles the demand draft for collection, other than the account holder's bank. ~~The bill also creates an exception from these additional warranties relating to persons who are governed by laws of another jurisdiction that do not provide similar warranties.~~

The acceptance of demand drafts by certain telemarketers is currently regulated under federal law and rules of the department of agriculture, trade and consumer protection. This bill has no effect on those regulations and rules.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. <sup>✓</sup> 403.103 (2) (hr) of the statutes is created to read:

2           403.103 (2) (hr) "Demand draft" — s. 403.104 (11).

3           SECTION 2. <sup>✓</sup> 403.104 (6) of the statutes is amended to read:

4           403.104 (6) "Check" means a draft, other than a documentary draft, payable  
5 on demand and drawn on a bank or means a cashier's check or, teller's check, or  
6 demand draft. An instrument may be a check even though it is described on its face  
7 by another term, such as money order.

**BILL**

1           **SECTION 3.** 403.104 (11)<sup>✓</sup> of the statutes is created to read:

2           403.104 (11) (a) Except as provided under par. (b), "demand draft" means a  
3 writing that is not signed by a customer, as defined in s. 404.104 (1) (e), that is created  
4 by a 3rd party under the purported authority of the customer for the purpose of  
5 charging the customer's account with a bank, that contains the account number of  
6 that account, and that contains at least one of the following:

- 7           1. The customer's name.  
8           2. A notation that the customer authorized the demand draft.  
9           3. The statement "No signature required," "Authorization on file," or  
10 "Signature on file," or words to that effect.

11           (b) "Demand draft" does not include a check drawn by a fiduciary, as defined  
12 in s. 403.307 (1) (a).

13           ~~**SECTION 4.** 403.416 (1) (intro.) of the statutes is amended to read:~~

14           ~~403.416 (1) (intro.) A. Except as provided under sub. 45, a person who transfers  
15 an instrument for consideration warrants to the transferee and, if the transfer is by  
16 endorsement, to any subsequent transferee that all of the following apply:~~

17           **SECTION 5.** 403.416 (1) (f)<sup>✓</sup> of the statutes is created to read:

18           403.416 (1) (f) If the instrument is a demand draft, the creation of the  
19 instrument according to the terms on its face was authorized by the person identified  
20 as the drawer.

21           ~~**SECTION 6.** 403.416 (5) of the statutes is created to read:~~

22           ~~403.416 (5) If the warranty under sub. (1) (f) is not given by a transferor under  
23 applicable conflict of law rules, the warranty is not given to that transferor when that  
24 transferor is a transferee.~~

25           ~~**SECTION 7.** 403.417 (1) (intro.) of the statutes is amended to read:~~

## BILL

## SECTION 7

1        ~~403.417 (1) (intro.) If Except as provided under sub. (7), if an unaccepted draft~~  
2        ~~is presented to the drawee for payment or acceptance and the drawee pays or accepts~~  
3        ~~the draft, the person obtaining payment or acceptance, at the time of presentment,~~  
4        ~~and a previous transferor of the draft, at the time of transfer, warrant to the drawee~~  
5        ~~making payment or accepting the draft in good faith that all of the following apply:~~

6        SECTION 8. 403.417 (1) (d) of the statutes is created to read:

7        403.417 (1) (d) If the instrument is a demand draft, the creation of the  
8        instrument according to the terms on its face was authorized by the person identified  
9        as the drawer.

10       SECTION 9. 403.417 (7) of the statutes is created to read:

11       ~~403.417 (7) If the warranty under sub. (1) (d) is not given by a transferor under~~  
12       ~~applicable conflict of law rules, the warranty is not given to that transferor when that~~  
13       ~~transferor is a transferee.~~

14       SECTION 10. 404.104 (3) (fe) of the statutes is created to read:

15       404.104 (3) (fe) "Demand draft" — s. 403.104 (11).

16       SECTION 11. 404.207 (1) (intro.) of the statutes is amended to read:

17       ~~404.207 (1) (intro.) —A— Except as provided under sub. (6), a customer or~~  
18       ~~collecting bank that transfers an item and receives a settlement or other~~  
19       ~~consideration warrants all of the following to the transferee and to any subsequent~~  
20       ~~collecting bank:~~

21       SECTION 12. 404.207 (1) (f) of the statutes is created to read:

22       404.207 (1) (f) If the item is a demand draft, the creation of the item according  
23       to the terms on its face was authorized by the person identified as the drawer.

24       SECTION 13. 404.207 (6) of the statutes is created to read:

**BILL**

1 404.207 (6) If the warranty under sub. (1) (f) is not given by a transferor or  
2 collecting bank under applicable conflict of law rules, the warranty is not given to  
3 that transferor when that transferor is a transferee or to any prior collecting bank  
4 of that transferee.

5 **SECTION 14.** 404.208 (1) (intro.) of the statutes is amended to read:

6 404.208 (1) (intro.) ~~If~~ Except as provided under sub. (7), if an unaccepted draft  
7 is presented to the drawee for payment or acceptance and the drawee pays or accepts  
8 the draft, the person obtaining payment or acceptance, at the time of presentment,  
9 and a previous transferor of the draft, at the time of transfer, warrant to the drawee  
10 that pays or accepts the draft in good faith that all of the following conditions exist:

11 **SECTION 15.** 404.208 (1) (d) of the statutes is created to read:

12 404.208 (1) (d) If the draft is a demand draft, the creation of the draft according  
13 to the terms on its face was authorized by the person identified as the drawer.

14 ~~**SECTION 16.** 404.208 (7) of the statutes is created to read:~~

15 404.208 (7) If the warranty under sub. (1) (d) is not given by a transferor under  
16 applicable conflict of law rules, the warranty is not given to that transferor when that  
17 transferor is a transferee.

18 (END)

**Basford, Sarah**

---

**From:** Laundrie, Julie - *erpenbach*  
**Sent:** Friday, February 01, 2002 7:32 AM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB-4416/2 Topic: Regulation of demand drafts

It has been requested by <Laundrie, Julie> that the following draft be jacketed for the SENATE:

Draft review: LRB-4416/2 Topic: Regulation of demand drafts