

2003 SENATE BILL 53

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

Analysis by the Legislative Reference Bureau

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.

SENATE BILL 53**SECTION 3**

1 **SECTION 3.** 403.104 (11) 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) (f) of the statutes is created to read:

14 403.416 **(1)** (f) If the instrument is a demand draft, the creation of the
15 instrument according to the terms on its face was authorized by the person identified
16 as the drawer.

17 **SECTION 5.** 403.417 (1) (d) of the statutes is created to read:

18 403.417 **(1)** (d) 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.** 404.104 (3) (fe) of the statutes is created to read:

22 404.104 **(3)** (fe) “Demand draft” — s. 403.104 (11).

23 **SECTION 7.** 404.207 (1) (f) of the statutes is created to read:

24 404.207 **(1)** (f) If the item is a demand draft, the creation of the item according
25 to the terms on its face was authorized by the person identified as the drawer.

