

Article - Commercial Law

SUBTITLE 8. DISHONORED CHECKS AND OTHER INSTRUMENTS - COLLECTION.

15-801.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "CHECK" HAS THE MEANING PROVIDED IN § 3-104(F) OF THIS ARTICLE.

(C) "DISHONOR" HAS THE MEANING PROVIDED IN § 3-502 OF THIS ARTICLE.

(D) "DRAWER" HAS THE MEANING PROVIDED IN § 3-103(A)(3) OF THIS ARTICLE.

(E) "HOLDER" HAS THE MEANING PROVIDED IN § 1-201(20) OF THIS ARTICLE.

(F) "HOLDER IN DUE COURSE" HAS THE MEANING PROVIDED IN § 3-302 OF THIS ARTICLE.

(G) "INSTRUMENT" HAS THE MEANING PROVIDED IN § 3-104(B) OF THIS ARTICLE.

(H) "ISSUE" HAS THE MEANING PROVIDED IN § 3-105 OF THIS ARTICLE.

(I) "MAKER" HAS THE MEANING PROVIDED IN § 3-103(A)(5) OF THIS ARTICLE.

(J) "NEGOTIATION" HAS THE MEANING PROVIDED IN § 3-201 OF THIS ARTICLE.

(K) "NOTICE OF DISHONOR" HAS THE MEANING PROVIDED IN § 3-503 OF THIS ARTICLE.

(L) "STOP PAYMENT ORDER" HAS THE MEANING PROVIDED IN § 4-403 OF THIS ARTICLE.

15-802.

(A) WHEN A CHECK OR OTHER INSTRUMENT HAS BEEN DISHONORED BY NONACCEPTANCE OR NONPAYMENT AND HAS NOT BEEN PAID WITHIN 10 DAYS, THE HOLDER TO WHOM THE CHECK OR OTHER INSTRUMENT WAS ISSUED OR NEGOTIATED MAY SEND A NOTICE OF DISHONOR TO THE MAKER OR DRAWER AS PROVIDED UNDER THIS SECTION.

(B) IF A CHECK OR OTHER INSTRUMENT HAS NOT BEEN PAID WITHIN 30 DAYS AFTER THE HOLDER HAS SENT A NOTICE OF DISHONOR TO THE MAKER OR DRAWER, THE MAKER OR DRAWER OF A CHECK OR OTHER INSTRUMENT THAT HAS BEEN DISHONORED MAY BE LIABLE FOR:

(1) THE AMOUNT OF THE CHECK OR INSTRUMENT;

(2) A COLLECTION FEE OF UP TO \$25; AND

(3) AN AMOUNT UP TO 2 TIMES THE AMOUNT OF THE CHECK, BUT NOT MORE THAN \$1,000.