

SEC. 3. *And be it further enacted*, That this Act shall take effect June 1, 1949.

Approved April 29, 1949.

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CHAPTER 441

(Senate Bill 208)

AN ACT to add a new section to Article 11 of the Annotated Code of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "Bank Collection Code", said new section to be known as Section 110A and to follow immediately after Section 110 of said Article, relating to the collection, payment and dishonor of demand items by banks and the revocation of credit for, and payment of, such items.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That a new section be and it is hereby added to Article 11 of the Annotated Code of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "Bank Collection Code", said new section to be known as Section 110A, to follow immediately after Section 110 of said Article, and to read as follows:

110A. (a). In any case in which a bank receives, other than for immediate payment over the counter, a demand item payable by, at or through such bank and gives credit therefor before midnight of the day of receipt, the bank may have until midnight of its next business day after receipt within which to dishonor or refuse payment of such item. Any credit so given, together with all related entries on the books of the receiving bank, may be revoked by returning the item, or if the item is held for protest or at the time is lost or is not in the possession of the bank, by giving written notice of dishonor, non-payment, or revocation; provided that such item or notice is dispatched in the mails or by other expeditious means not later than midnight of the bank's next business day after the item was received. For the purpose of determining when notice of dishonor must be given or protest made under the law relative to negotiable instruments, an item duly presented credit for which is revoked as authorized by this section, shall be deemed dishonored on the day the item or notice is dispatched. A bank, revoking credit pursuant to the authority of this section, is entitled to refund of, or credit for, the amount of the item.