

**House Bill No. 182**

AN ACT concerning

**Commercial Law - Dishonored Instruments - Notice of Dishonor**

FOR the purpose of requiring a holder of a dishonored instrument to certify mailing of a notice of dishonor to the maker or drawer by executing an affidavit of service; and generally relating to notice of dishonored instruments.

BY repealing and reenacting, with amendments,

Article - Commercial Law

Section 15-802

Annotated Code of Maryland

(2000 Replacement Volume and 2001 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Commercial Law**

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 shall be liable for:

- (1) The amount of the check or instrument;
- (2) A collection fee of up to \$35; and
- (3) An amount up to 2 times the amount of the check, but not more than \$1,000.

(c) (1) (i) The holder of a check or other instrument that has been dishonored may seek the damages provided under this section in any District Court of the State 30 days after a notice of dishonor has been sent by mail to the last known address of the maker or drawer.

(ii) [The holder shall obtain a certificate of mailing from the U.S. Postal Service for each notice sent by the holder under subparagraph (i) of this paragraph.] FOR EACH NOTICE SENT BY THE HOLDER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE HOLDER SHALL:

1. OBTAIN A CERTIFICATE OF MAILING FROM THE U. S. POSTAL SERVICE; OR