

President of the Senate
State House
Annapolis MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 163.

This bill provides that when a negotiable instrument is dishonored by nonacceptance or nonpayment and has not been paid within 10 days, the holder of the negotiable instrument may send a notice of dishonor to the maker or the drawer. If a negotiable instrument is not paid within 30 days after the holder has sent the notice of dishonor, the maker or drawer could be liable for the amount of the negotiable instrument, a collection fee of up to \$25, and an amount of up to two times the amount of the check, but not more than \$1,000. The holder of the negotiable instrument would be able to seek damages in District Court 30 days after a notice of dishonor is sent. This bill prescribes the form of a notice of dishonor and specifies defenses to liability.

House Bill 298, which was passed by the General Assembly and signed by me on May 21, 1998, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 163.

Sincerely,
Parris N. Glendening
Governor

Senate Bill No. 163

AN ACT concerning

Commercial Law - Checks and Other Instruments - Rights of Holders

FOR the purpose of reenacting certain provisions of law inadvertently repealed by Chapter 91 of the Acts of the General Assembly of 1996; clarifying and confirming the intent of the General Assembly that certain holders of certain dishonored checks and other instruments may recover certain amounts from a maker or a drawer under certain circumstances; providing for the effective date of this Act; making this Act retroactive; and generally relating to dishonored checks and other instruments.

BY adding to

Article - Commercial Law

Section 15-801 through 15-804 to be under the new subtitle "Subtitle 8.
Dishonored Checks and Other Instruments - Collection"

Annotated Code of Maryland

(1990 Replacement Volume and 1997 Supplement)

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