

ACT 44

S.B. NO. 1574-86

A Bill for an Act Relating to the Uniform Commercial Code.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 490:4-213, Hawaii Revised Statutes, is amended by amending subsection (4) to read as follows:

“(4) Subject to any right of the bank to apply the credit to an obligation of the customer, credit given by a bank for an item in an account with its customer becomes available for withdrawal as of right

- (a) In any case where the bank has received a provisional settlement for the item, - when such settlement becomes final and the bank has had a reasonable time to learn that the settlement is final;
- (b) In any case where the bank is both a depositary bank and a payor bank and the item is finally paid, - at the opening of the bank’s second banking day following receipt of the item.

Each bank or payor shall, upon request, provide written notice of its check hold policy.

For purposes of this subsection “payor” means any entity by which an item is payable as drawn or accepted, and includes savings and loan associations and credit unions.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 1986.

(Approved April 17, 1986.)