

ACT 280

S.B. NO. 341

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 depository 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 depository bank [or payor] shall[, upon request,] provide written notice of its check hold policy[.] and fund availability with respect to local, out-of-state, and foreign checks drawn on U.S. financial institutions:

- (i) When a checking account is opened; or
- (ii) When there is a change in bank policy.

The commissioner of financial institutions may establish by rules reasonable periods for check hold and fund availability with respect to local, out-of-state, and foreign checks drawn on U.S. financial institutions.

[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. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 25, 1987.)