

2003 SESSION

INTRODUCED

034239500

SENATE BILL NO. 999

Offered January 8, 2003

Prefiled January 7, 2003

A BILL to amend and reenact § 8.3A-602 of the Code of Virginia, relating to negotiable instruments; return of paid instrument.

Patron—Mims

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That § 8.3A-602 of the Code of Virginia is amended and reenacted as follows:

§ 8.3A-602. Payment.

(a) Subject to subsection (b), an instrument is paid to the extent payment is made (i) by or on behalf of a party obliged to pay the instrument, and (ii) to a person entitled to enforce the instrument. To the extent of the payment, the obligation of the party obliged to pay the instrument is discharged even though payment is made with knowledge of a claim to the instrument under § 8.3A-306 by another person.

(b) The obligation of a party to pay the instrument is not discharged under subsection (a) if:

(1) a claim to the instrument under § 8.3A-306 is enforceable against the party receiving payment and (i) payment is made with knowledge by the payor that payment is prohibited by injunction or similar process of a court of competent jurisdiction, or (ii) in the case of an instrument other than a cashier's check, teller's check, or certified check, the party making payment accepted, from the person having a claim to the instrument, indemnity against loss resulting from refusal to pay the person entitled to enforce the instrument; or

(2) the person making payment knows that the instrument is a stolen instrument and pays a person it knows is in wrongful possession of the instrument.

(c) *Within 60 days following payment in full of the obligation represented by an instrument, the holder of the instrument shall return the instrument to the maker or his agent. However, if the instrument is lost or for any reason cannot be produced and the holder submits to the maker or his agent an affidavit to that effect within such 60-day period, the holder shall be deemed to have satisfied its obligation under this subsection.*

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