

(House Bill No. 353)

A N A C T

To expedite and simplify the payment of checks and to provide for return of unpaid checks drawn on closed banks organized under the laws of Ohio and unincorporated banks which have transacted business in the state of Ohio.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

SECTION 1. That when any bank incorporated under the laws of this state or any unincorporated bank transacting business in this state shall have presented to it for collection and payment any check drawn upon it by a depositor in such bank or unincorporated bank, who at the time such check is presented for collection and payment has on deposit an amount equal to such check, if before such check is charged to such depositor's account, such bank or unincorporated bank shall be closed for business by the superintendent of banks of Ohio or by action of its board of directors or by other proper legal action, the superintendent of banks of Ohio or any one who shall at or after the closing of such bank be legally authorized to take charge of the liquidation thereof, shall upon taking charge of the affairs of such closed bank return such check to the person or banking institution by which it was presented to such closed bank for collection and payment.

SECTION 2. In any case where any bank incorporated under the laws of this state or any unincorporated bank doing business in this state, shall have had presented to it for collection and payment a check drawn by a depositor in such bank or unincorporated bank who at the time of the presentation thereof for collection and payment has on deposit a sum equal

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to the amount of such check, if such bank or unincorporated bank shall charge to the account of such depositor the amount of such check but shall thereafter be closed for business by the superintendent of banks of Ohio or by action of its board of directors or by any other proper legal action before payment shall have been made of such check, the charging of such check to such depositor's account shall constitute an appropriation by such bank or unincorporated bank of the assets of such bank or unincorporated bank to the payment thereof and shall impress such assets with a trust in behalf of the owner of such check and entitle such owner to payment thereof upon liquidation of the assets of such failed bank as a preferred claim.

SECTION 3. In any case where any bank incorporated under the laws of this state or any unincorporated bank doing business within this state shall have presented to it for collection and payment, a check drawn by a depositor in such bank or unincorporated bank who at the time such check is presented to it for collection and payment has on deposit an amount equal to such check, if after the receipt thereof such bank or unincorporated bank shall charge the account of such depositor with the amount thereof and shall in payment thereof draw a draft upon another banking institution, which draft shall remain unpaid at the time that such bank drawing same is closed by the superintendent of banks of Ohio or by action of its board of directors or other proper legal action, in such event the assets of such closed bank shall be impressed with a trust for the payment of such draft, and the superintendent of banks of Ohio or any one legally charged with the liquidation of such closed bank, shall

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pay such draft as a preferred claim out of the assets of such failed bank.

SECTION 4. In any case where any bank incorporated under the laws of this state or any unincorporated bank doing business within this state, shall have in its possession the proceeds realized from the collection of any negotiable instrument by it or by any other collecting agency, at the time that such bank is closed by the superintendent of banks of Ohio or by action of its board of directors or by any other proper legal action, or in any case where any such bank shall in payment of such proceeds of collection draw a draft upon another banking institution which draft shall remain unpaid at the time such bank drawing same is closed, as aforesaid, the assets of such bank so closed shall be impressed with a trust in behalf of the owner of the negotiable instrument the proceeds of which are held by such bank so closed or payment of such proceeds has been attempted by such bank so closed by drawing a draft as aforesaid, and the owner of the negotiable instrument shall be entitled to payment upon liquidation of the assets of such bank as a preferred claim.

O. C. GRAY,  
Speaker of the House of Representatives.

EARL D. BLOOM,  
President of the Senate.

Passed April 21, 1927.  
Approved May 2, 1927.

VIC DONAHEY,  
Governor.

Filed in the office of Secretary of State May 4, 1927.

I hereby certify that the foregoing is a true copy of the engrossed bill.

CLARENCE J. BROWN  
Secretary of State.