"Senate Bill No. 55 By Mr. Marsden (Passed March 10, 1927. Approved March 14, 1927. In effect May 10, 1927)

PREFERENCE TO CLAIMS BASED ON CHECKS, ETC., ON COLLECTION ITEMS OF INSOLVENT BANK.

An Act giving preference to all claims based on checks, drafts and other instruments issued by any bank or trust company in settlement of items for collection in the event of the insolvency of such bank or trust company.

Be it enacted by the Legislature of the State of Utah:

Section 1. <u>Insolvent banks</u> - <u>claims on checks</u>, <u>etc</u>. Claims based on checks, drafts, authorizations to correspondents to charge account. or other instruments, issued by any bank or trust company, in exchange for, or in settlement of any bills, notes, checks, orders, drafts, bonds, warrants, coupons or other evidences of indebtedness (including any such obligations drawn upon such issuing bank or trust company) received by it for collection and remittance or payment, and not for deposit, shall upon the insolvency of such issuing bank or trust company, be entitled to payment in full in preference to and before any payment shall be made upon the claims of depositors and other general creditors of such bank or trust company.

Approved March 14, 1927."

(Chapter 49, Laws of Utah, 1927)