

Introduced by

Representatives Olson, Mahoney

Senator Sand

1 A BILL for an Act to amend and reenact subsection 1 of section 6-08-16 and section 6-08-16.2  
2 of the North Dakota Century Code, relating to issuing a check without an account or without  
3 sufficient funds.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 6-08-16 of the 1995 Supplement  
6 to the North Dakota Century Code is amended and reenacted as follows:

7 1. A person may not, for ~~himself~~ that person, as the agent or representative of  
8 another, or as an officer or member of a firm, company, copartnership, or  
9 corporation make, draw, utter, or deliver any check, draft, or order for the payment  
10 of money upon a bank, banker, or depository, if at the time of such making,  
11 drawing, uttering, or delivery, or at the time of presentation for payment if the  
12 presentation for payment is made within fourteen days after the original delivery  
13 thereof, there are not sufficient funds in or credit with the bank, banker, or  
14 depository to meet the check, draft, or order in full upon its presentation. Violation  
15 of this subsection is a class B misdemeanor.

16 **SECTION 2. AMENDMENT.** Section 6-08-16.2 of the 1995 Supplement to the North  
17 Dakota Century Code is amended and reenacted as follows:

18 **6-08-16.2. Issuing check without account or with insufficient funds - Financial**  
19 **liability - Penalty - Exceptions.**

20 1. As used in this section:  
21 a. "Account" means any account at a bank or depository from which an  
22 instrument could legally be paid.  
23 b. "Dishonor" is synonymous with "nonpayment".  
24 c. "Instrument" means any check, draft, or order for the payment of money.

d. "Issues" means draws, utters, or delivers.

2. A person who, for that person or as agent or representative of another, willfully as defined in section 12.1-02-02 issues any instrument is guilty of a class C felony if that person has been previously convicted of issuing an instrument without an account pursuant to section 6-08-16.1 or without sufficient funds in a bank or depository pursuant to section 6-08-16, and:

a. At the time of issuing the instrument the drawer does not have an account with the bank or depository on which the instrument is drawn; or

b. At the time of issuing the instrument or at the time of presentation for payment if made within ~~five~~ ten business days after the original delivery of the instrument, the drawer does not have sufficient funds in the bank or depository, or credit with the bank, banker, or depository, to pay the instrument in full upon its presentation.

The person is also liable for collection fees or costs, not in excess of fifteen dollars, which are recoverable by civil action by the holder of the instrument.

3. A person who, for that person or an agent or representative of another, willfully as defined in section 12.1-02-02 issues any instrument is guilty of a class C felony if the instrument was for at least ten thousand dollars, and:

a. At the time of issuing the instrument, the drawer does not have an account with the bank or depository on which the instrument is drawn; or

b. At the time of issuing the instrument, or at the time of presentation for payment if made within five business days after the original delivery of the instrument, the drawer does not have sufficient funds in the bank or depository, or credit with the bank, banker, or depository, to pay the instrument in full upon its presentation.

The person is also liable for collection fees or costs, not in excess of fifteen dollars, which are recoverable by civil action by the holder of the instrument.

4. A person who, for that person or as an agent or representative of another, willfully issues at least two instruments within a ninety-day period is guilty of a class C felony if the total amount of the instruments was for at least five hundred dollars,

and the drawer has violated subdivision a or b, or both, with respect to the instruments:

- a. At the time of issuing the instruments, the drawer does not have an account with the bank or depository on which the instruments are drawn; or
- b. At the time of issuing the instruments, or at the time of presentation for payment if made within ten business days after the original delivery of the instrument, the drawer does not have sufficient funds in the bank or depository, or credit with the bank, banker, or depository, to pay the instrument in full upon its presentation.

The person is also liable for collection fees or costs, not in excess of fifteen dollars per instrument, which are recoverable by civil action by the holder of the instrument.

- ~~5.~~ 5. A civil penalty is also recoverable by civil action by the holder of the instrument.

The civil penalty consists of payment to the holder of the instrument of the lesser of one hundred dollars or three times the amount of the instrument.

- ~~5- 6.~~ 6. An agent acting for the receiver of an instrument issued in violation of this section may present the instrument to the state's attorney for prosecution. A criminal complaint for violation of subdivision b of subsection 2 or subdivision b of subsection 3 must be executed within ninety days after the drawer of the instrument receives notice, from the holder, of nonpayment. A complaint for a violation of subsection 4 must be executed within ninety days after the drawer of the instrument receives notice, from the holder, of nonpayment for the last instrument, if any, included under subdivision b of subsection 4 for a violation of subsection 4. Failure to execute a complaint within the time set forth in this subsection bars any criminal charges under subdivision b of subsection 2 ~~or~~, subdivision b of subsection 3, or subdivision b of subsection 4.

- ~~6- 7.~~ 7. A notice of dishonor may be mailed by the holder of the instrument upon dishonor. Proof of mailing may be made by return receipt or by an affidavit of mailing signed by the individual making the mailing. The notice must be in substantially the following form:

Notice of Dishonored Instrument

Date \_\_\_\_\_

Name of Issuer \_\_\_\_\_

Street Address \_\_\_\_\_

City and State \_\_\_\_\_

You are according to law hereby notified that an instrument dated  
\_\_\_\_\_, 19\_\_\_\_, drawn on the \_\_\_\_\_ Bank of  
\_\_\_\_\_ in the amount of \_\_\_\_\_ has been returned  
unpaid with the notation the payment has been refused because (of  
nonsufficient funds) (the drawer does not have an account). Within ten days  
from the receipt of this notice, you must pay or tender to

\_\_\_\_\_

(Holder)

sufficient moneys to pay such instrument in full and any collection fees or  
costs not in excess of fifteen dollars.

The notice may also contain a recital of the penal provisions of this section and the  
possibility of a civil action to recover any collection fees or costs authorized by this  
section.