

SENATE BILL NO. 423

INTRODUCED BY HALLIGAN, MOHAR, PECK, RANEY, FARRELL

IN THE SENATE

February 15, 1985	Introduced and referred to Committee on Business and Industry.
February 23, 1985	Committee recommend bill do pass as amended. Report adopted.
February 25, 1985	Bill printed and placed on members' desks.
February 26, 1985	Second reading, do pass. Considered correctly engrossed.
February 27, 1985	Third reading, passed. Ayes, 48; Noes, 2. Transmitted to House.

IN THE HOUSE

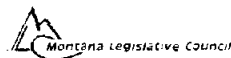
March 7, 1985	Introduced and referred to Committee on Business and Labor.
March 26, 1985	Committee recommend bill be concurred in. Report adopted.
March 30, 1985	Second reading, concurred in.
April 1, 1985	Third reading, concurred in. Returned to Senate.

IN THE SENATE

April 1, 1985	Received from House. Sent to enrolling. Reported correctly enrolled.
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1 Senate BILL NO. 423  
 2 INTRODUCED BY William Moran  
 3 Peck Randy Fanel  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE TIME  
 5 PERIODS IN WHICH BANKS MUST MAKE FUNDS AVAILABLE FOR ITEMS  
 6 DEPOSITED FOR COLLECTION; REQUIRING BANKS TO DISCLOSE TO  
 7 DEPOSITORS THE TIME PERIODS IN WHICH FUNDS WILL BE  
 8 AVAILABLE; DECLARING A VIOLATION OF THESE REQUIREMENTS AN  
 9 UNFAIR TRADE PRACTICE; AND AMENDING SECTION 30-4-213, MCA."  
 10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 NEW SECTION. Section 1. Index of definitions and  
 13 definition of "local bank". (1) The definitions applying to  
 14 [sections 2 and 3] and the sections in which they appear  
 15 are:  
 16 (a) "Account". 30-4-104.  
 17 (b) "Bank". 32-1-102.  
 18 (c) "Banking day". 30-4-104.  
 19 (d) "Depository bank". 30-4-105.  
 20 (e) "Item". 30-4-104.  
 21 (2) "Local bank" means a bank located in the same city  
 22 or town or that uses the same clearinghouse as the  
 23 depository bank.  
 24 NEW SECTION. Section 2. When certain credits become  
 25 available for withdrawal -- exceptions. (1) With respect to

1 items deposited in an account, the depository bank must make  
 2 funds for the items available for withdrawal within the  
 3 following periods, subject to individual account agreements  
 4 and except as provided in subsections (2) and (3):  
 5 (a) for an item drawn on the depository bank, at the  
 6 opening of the bank's second banking day following receipt  
 7 of the item;  
 8 (b) for an item drawn on a local bank other than the  
 9 depository bank, at the opening of the depository bank's  
 10 third banking day following receipt of the item;  
 11 (c) for an item drawn on a bank located in the state  
 12 other than a local bank, at the opening of the depository  
 13 bank's third banking day following receipt of the item;  
 14 (d) for an item drawn on any other bank located in the  
 15 United States, at the opening of the depository bank's  
 16 fourth banking day following receipt of the item;  
 17 (e) for an item made out in a face amount of \$100 or  
 18 less drawn on any bank, at the opening of the depository  
 19 bank's first banking day following receipt of the item;  
 20 (F) for items bearing a first endorsement drawn on  
 21 this state or a political subdivision thereof or the United  
 22 States treasury, at the opening of the depository bank's  
 23 first banking day following receipt of the item.  
 24 (2) The following are exceptions to the requirements  
 25 of subsection (1):



INTRODUCED BILL  
 SB 423

1 (a) If the depository bank has received notice that  
 2 funds for an item are not collectible or if the depository  
 3 bank has good and sufficient reason to doubt the  
 4 collectibility of funds for an item, the depository bank may  
 5 make funds available for the item according to the bank's  
 6 policy.

7 (b) Funds for an item deposited within 21 calendar  
 8 days of the opening of a new account at a depository bank  
 9 are subject to the depository bank's policy, if the bank  
 10 makes the funds available for withdrawal on or before the  
 11 end of the 21st calendar day.

12 (c) For an item in an amount greater than \$2,500,  
 13 other than an item drawn on the depository bank, the  
 14 depository bank may make the funds available according to  
 15 its policy, or if the customer elects, it shall clear the  
 16 item on a collection basis. However, any customer depositing  
 17 an item in an amount greater than \$2,500 is entitled to  
 18 withdraw, within the time requirements of subsection (1), at  
 19 least \$2,500 if the customer so requests, at the time of  
 20 deposit.

21 (d) For items drawn on a bank or its branch outside  
 22 the United States, the depository bank may make the funds  
 23 available according to its policy.

24 (3) This section does not affect a bank's right as  
 25 established by applicable law to apply funds in a customer's

1 account to an obligation of the customer.

2 (4) A bank may make funds available for withdrawal  
 3 within a shorter period than required by subsection (1).

4 NEW SECTION. Section 3. Bank's responsibility to  
 5 provide notice when funds become available for withdrawal.  
 6 (1) A depository bank shall provide clear and conspicuous  
 7 written notice of the time periods provided in [section 2]  
 8 and exceptions to the periods, concerning when funds become  
 9 available for withdrawal as of right on deposit by check or  
 10 similar instrument in the customer's deposit account. The  
 11 notice must state the cutoff hour, if any, fixed by the bank  
 12 after which an item is treated as being received at the  
 13 opening of the next banking day.

14 (2) This notice must be:

15 (a) provided to a potential customer prior to opening  
 16 a deposit account;

17 (b) mailed to each of the bank's present customers on  
 18 or before December 31, 1985; and

19 (c) posted in a conspicuous manner at each bank,  
 20 automatic teller machine location, or other device that  
 21 accepts deposits.

22 (3) A deposit slip or envelope, or any other printed  
 23 form furnished by the depository bank used in connection  
 24 with deposits, must contain the following notice, printed in  
 25 a conspicuous manner: "Your deposit may not be available for

1 immediate withdrawal. Consult posted notices for further  
2 information."

3 NEW SECTION. Section 4. Violation as unfair trade  
4 practice. A bank's failure to comply with any of the  
5 provisions of [section 2 or 3] is an unfair trade practice  
6 under Title 30, chapter 14, parts 1 and 2.

7 Section 5. Section 30-4-213, MCA, is amended to read:

8 "30-4-213. Final payment of item by payor bank -- when  
9 provisional debits and credits become final -- when certain  
10 credits become available for withdrawal. (1) An item is  
11 finally paid by a payor bank when the bank has done any of  
12 the following, whichever happens first:

- 13 (a) paid the item in cash; or  
14 (b) settled for the item without reserving a right to  
15 revoke the settlement and without having such right under  
16 statute, clearinghouse rule or agreement; or  
17 (c) completed the process of posting the item to the  
18 indicated account of the drawer, maker or other person to be  
19 charged therewith; or  
20 (d) made a provisional settlement for the item and  
21 failed to revoke the settlement in the time and manner  
22 permitted by statute, clearinghouse rule or agreement. Upon  
23 a final payment under subparagraphs (b), (c) or (d) the  
24 payor bank shall be accountable for the amount of the item.

25 (2) If provisional settlement for an item between the

1 presenting and payor banks is made through a clearinghouse  
2 or by debits or credits in an account between them, then to  
3 the extent that provisional debits or credits for the item  
4 are entered in accounts between the presenting and payor  
5 banks or between the presenting and successive prior  
6 collecting banks seriatim, they become final upon final  
7 payment of the item by the payor bank.

8 (3) If a collecting bank receives a settlement for an  
9 item which is or becomes final (subsection (3) of 30-4-211,  
10 subsection (2) of 30-4-213) the bank is accountable to its  
11 customer for the amount of the item and any provisional  
12 credit given for the item in an account with its customer  
13 becomes final.

14 (4) Subject to any right of the bank to apply the  
15 credit to an obligation of the customer, credit given by a  
16 bank for an item in an account with its customer becomes  
17 available for withdrawal as of right: under the provisions  
18 of [section 2].

19 ~~(a) -- in any case where the bank has received a~~  
20 ~~provisional settlement for the item; when such settlement~~  
21 ~~becomes final and the bank has had a reasonable time to~~  
22 ~~learn that the settlement is final;~~

23 ~~(b) -- in any case where the bank is both a depository~~  
24 ~~bank and a payor bank and the item is finally paid; at the~~  
25 ~~opening of the bank's second banking day following receipt~~

1 ~~of-the-item-~~

2 (5) A deposit of money in a bank is final when made  
3 but, subject to any right of the bank to apply the deposit  
4 to an obligation of the customer, the deposit becomes  
5 available for withdrawal as of right at the opening of the  
6 bank's next banking day following receipt of the deposit."

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

SENATE BILL NO. 423

INTRODUCED BY HALLIGAN, MOHAR, PECK, RANEY, FARRELL

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE TIME PERIODS IN WHICH BANKS MUST MAKE FUNDS AVAILABLE FOR ITEMS DEPOSITED FOR COLLECTION; REQUIRING BANKS FINANCIAL INSTITUTIONS TO DISCLOSE TO DEPOSITORS THE TIME PERIODS IN WHICH FUNDS WILL BE AVAILABLE; DECLARING A VIOLATION OF THESE REQUIREMENTS AN UNFAIR TRADE PRACTICE; AND AMENDING SECTION 30-4-213, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Index of definitions and definition of "local bank". (1) The definitions applying to sections 2 and 3 and the sections in which they appear are:

- (a) "Account". 30-4-104.
(b) "Bank". 32-1-102.
(c) "Banking day". 30-4-104.
(d) "Depository bank". 30-4-105.
(e) "Item". 30-4-104.

(2) "Local bank" means a bank located in the same city or town or that uses the same clearinghouse as the depository bank.

NEW SECTION. Section 2. When certain credits become

available for withdrawal--exceptions. (1) With respect to items deposited in an account, the depository bank must make funds for the items available for withdrawal within the following periods, subject to individual account agreements and except as provided in subsections (2) and (3):

(a) for an item drawn on the depository bank, at the opening of the bank's second banking day following receipt of the item;

(b) for an item drawn on a local bank other than the depository bank, at the opening of the depository bank's third banking day following receipt of the item;

(c) for an item drawn on a bank located in the state other than a local bank, at the opening of the depository bank's third banking day following receipt of the item;

(d) for an item drawn on any other bank located in the United States, at the opening of the depository bank's fourth banking day following receipt of the item;

(e) for an item made out in a face amount of \$100 or less drawn on any bank, at the opening of the depository bank's first banking day following receipt of the item;

(f) for items bearing a first endorsement drawn on this state or a political subdivision thereof or the United States treasury, at the opening of the depository bank's first banking day following receipt of the item.

(2) The following are exceptions to the requirements



1 of-subsection-(i):

2 (a)--if--the--depository--bank--has--received--notice--that  
3 funds--for--an--item--are--not--collectible--or--if--the--depository  
4 bank--has--good--and--sufficient--reason--to--doubt--the  
5 collectibility--of--funds--for--an--item,--the--depository--bank--may  
6 make--funds--available--for--the--item--according--to--the--bank's  
7 policy.

8 (b)--Funds--for--an--item--deposited--within--21--calendar  
9 days--of--the--opening--of--a--new--account--at--a--depository--bank  
10 are--subject--to--the--depository--bank's--policy,--if--the--bank  
11 makes--the--funds--available--for--withdrawal--on--or--before--the  
12 end--of--the--21st--calendar--day.

13 (c)--For--an--item--in--an--amount--greater--than--\$2,500,  
14 other--than--an--item--drawn--on--the--depository--bank,--the  
15 depository--bank--may--make--the--funds--available--according--to  
16 its--policy,--or--if--the--customer--elects,--it--shall--clear--the  
17 item--on--a--collection--basis. However, any customer depositing  
18 an--item--in--an--amount--greater--than--\$2,500--is--entitled--to  
19 withdraw, within the time requirements of subsection-(i), at  
20 least \$2,500 if the customer so requests, at the time of  
21 deposit.

22 (d)--For--items--drawn--on--a--bank--or--its--branch--outside  
23 the--United--States,--the--depository--bank--may--make--the--funds  
24 available--according--to--its--policy.

25 (3)--This--section--does--not--affect--a--bank's--right--as

1 established-by-applicable-law-to-apply-funds-in-a-customer's  
2 account-to-an-obligation-of-the-customer.

3 (4)--A--bank--may--make--funds--available--for--withdrawal  
4 within--a--shorter--period--than--required--by--subsection-(i).

5 NEW-SECTION: Section 1. Bank's FINANCIAL  
6 INSTITUTION'S responsibility to provide notice when funds  
7 become available for withdrawal. (1) A depository bank shall  
8 provide clear and conspicuous written notice of the time  
9 periods provided in {section-2} and exceptions to the  
10 periods, concerning when funds become available for  
11 withdrawal as of right on deposit by check or similar  
12 instrument in the customer's deposit account. The notice  
13 must state the cutoff hour, if any, fixed by the bank  
14 FINANCIAL INSTITUTION after which an item is treated as  
15 being received at the opening of the next banking BUSINESS  
16 day.

17 (2) This notice must be:

18 (a) provided to a potential customer prior to opening  
19 a deposit account;

20 (b) mailed to each of the bank's FINANCIAL  
21 INSTITUTION'S present customers on or before December 31,  
22 1985; and

23 (c) posted in a conspicuous manner at each bank  
24 FINANCIAL INSTITUTION, automatic teller machine location, or  
25 other device that accepts deposits.

1 (3) A deposit slip or envelope, or any other printed  
2 form furnished by the depository bank FINANCIAL INSTITUTION  
3 used in connection with deposits, must contain the following  
4 notice, printed in a conspicuous manner: "Your deposit may  
5 not be available for immediate withdrawal. Consult posted  
6 notices for further information."

7 NEW SECTION Section 4, Violation as unfair trade  
8 practice: A bank's failure to comply with any of the  
9 provisions of {section 2 or 3} is an unfair trade practice  
10 under Title 30, chapter 14, parts 1 and 2.

11 Section 5, Section 30-4-213, MCA, is amended to read:

12 "30-4-213. Final payment of item by payor bank --- when  
13 provisional debits and credits become final --- when certain  
14 credits become available for withdrawal: --- (1) An item is  
15 finally paid by a payor bank when the bank has done any of  
16 the following, whichever happens first:

17 (a) paid the item in cash; or

18 (b) settled for the item without reserving a right to  
19 revoke the settlement and without having such right under  
20 statute, clearinghouse rule or agreement; or

21 (c) completed the process of posting the item to the  
22 indicated account of the drawer, maker or other person to be  
23 charged therewith; or

24 (d) made a provisional settlement for the item and  
25 failed to revoke the settlement in the time and manner

1 permitted by statute, clearinghouse rule or agreement. Upon  
2 a final payment under subparagraphs (b), (c) or (d) the  
3 payor bank shall be accountable for the amount of the item:  
4 (2) If provisional settlement for an item between the  
5 presenting and payor banks is made through a clearinghouse  
6 or by debits or credits in an account between them, then to  
7 the extent that provisional debits or credits for the item  
8 are entered in accounts between the presenting and payor  
9 banks --- or between the presenting and successive prior  
10 collecting banks serially --- they become final upon final  
11 payment of the item by the payor bank:

12 (3) If a collecting bank receives a settlement for an  
13 item which is or becomes final {subsection (3) of 30-4-211,  
14 subsection (2) of 30-4-213} the bank is accountable to its  
15 customer for the amount of the item and any provisional  
16 credit given for the item in an account with its customer  
17 becomes final:

18 (4) Subject to any right of the bank to apply the  
19 credit to an obligation of the customer, credit given by a  
20 bank for an item in an account with its customer becomes  
21 available for withdrawal as of right: under the provisions  
22 of {section 2}:

23 (a) in any case where the bank has received a  
24 provisional settlement for the item, when such settlement  
25 becomes final and the bank has had a reasonable time to



1 learn-that-the-settlement-is-final,

2 (b)--in--any--case--where--the--bank--is--both--a--depository  
3 bank--and--a--payor--bank--and--the--item--is--finally--paid,--at--the  
4 opening--of--the--bank's--second--banking--day--following--receipt  
5 of--the--item;

6 (5)--A--deposit--of--money--in--a--bank--is--final--when--made  
7 but,--subject--to--any--right--of--the--bank--to--apply--the--deposit  
8 to--an--obligation--of--the--customer,--the--deposit--becomes  
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(d) "Depository bank", 30-4-105.

(e) "Item", 30-4-104.

(2) "Local bank" means a bank located in the same city or town or that uses the same clearinghouse as the depository bank.

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(2) The following are exceptions to the requirements



1 of-subsection-(1):

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5 collectibility--of--funds--for--an--item,--the--depository--bank--may  
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12 end--of--the--21st--calendar--day;

13 (c)--For--an--item--in--an--amount--greater--than--\$2,500,  
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15 depository--bank--may--make--the--funds--available--according--to  
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17 item--on--a--collection--basis. However, any customer depositing  
18 an--item--in--an--amount--greater--than--\$2,500--is--entitled--to  
19 withdraw,--within--the--time--requirements--of--subsection--(1),--at  
20 least--\$2,500--if--the--customer--so--requests,--at--the--time--of  
21 deposit;

22 (d)--For--items--drawn--on--a--bank--or--its--branch--outside  
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23 (a) in any case where the bank has received a  
24 provisional settlement for the item, when such settlement  
25 becomes final and the bank has had a reasonable time to

1 learn-that-the-settlement-is-final;  
2 (b)--in-any-case--where-the-bank-is-both-a-depositary  
3 bank-and-a-payor-bank-and-the-item-is-finally-paid--at--the  
4 opening--of--the-bank's-second-banking-day-following-receipt  
5 of-the-item;  
6 (5)--A-deposit-of-money-in-a-bank-is--final--when--made  
7 but--subject--to-any-right-of-the-bank-to-apply-the-deposit  
8 to-an-obligation--of--the--customer--the--deposit--becomes  
9 available--for--withdrawal-as-of-right-at-the-opening-of-the  
10 bank's-next-banking-day-following-receipt-of--the--deposit."

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(c) "Banking day", 30-4-104;
(d) "Depository bank", 30-4-105;
(e) "Item", 30-4-104;
(2) "Local bank" means a bank located in the same city or town or that uses the same clearinghouse as the depository bank;

NEW SECTION. Section 2. When certain credits become

available for withdrawal---exceptions. (1) With respect to items deposited in an account, the depository bank must make funds for the items available for withdrawal within the following periods, subject to individual account agreements and except as provided in subsections (2) and (3):

- (a) for an item drawn on the depository bank, at the opening of the bank's second banking day following receipt of the item;
(b) for an item drawn on a local bank other than the depository bank, at the opening of the depository bank's third banking day following receipt of the item;
(c) for an item drawn on a bank located in the state other than a local bank, at the opening of the depository bank's third banking day following receipt of the item;
(d) for an item drawn on any other bank located in the United States, at the opening of the depository bank's fourth banking day following receipt of the item;
(e) for an item made out in a face amount of \$100 or less drawn on any bank, at the opening of the depository bank's first banking day following receipt of the item;
(f) for items bearing a first endorsement drawn on this state or a political subdivision thereof or the United States treasury, at the opening of the depository bank's first banking day following receipt of the item;
(2) The following are exceptions to the requirements



1 of-subsection-(1):

2 (a)--If--the--depository--bank--has--received--notice--that  
3 funds--for--an--item--are--not--collectible--or--if--the--depository  
4 bank--has--good--and--sufficient--reason--to--doubt--the  
5 collectibility--of--funds--for--an--item,--the--depository--bank--may  
6 make--funds--available--for--the--item--according--to--the--bank's  
7 policy.

8 (b)--Funds--for--an--item--deposited--within--21--calendar  
9 days--of--the--opening--of--a--new--account--at--a--depository--bank  
10 are--subject--to--the--depository--bank's--policy,--if--the--bank  
11 makes--the--funds--available--for--withdrawal--on--or--before--the  
12 end--of--the--21st--calendar--day.

13 (c)--For--an--item--in--an--amount--greater--than--\$2,500,  
14 other--than--an--item--drawn--on--the--depository--bank,--the  
15 depository--bank--may--make--the--funds--available--according--to  
16 its--policy,--or--if--the--customer--elects,--it--shall--clear--the  
17 item--on--a--collection--basis. However, any customer depositing  
18 an--item--in--an--amount--greater--than--\$2,500--is--entitled--to  
19 withdraw,--within--the--time--requirements--of--subsection--(1),--at  
20 least--\$2,500--if--the--customer--so--requests,--at--the--time--of  
21 deposit.

22 (d)--For--items--drawn--on--a--bank--or--its--branch--outside  
23 the--United--States,--the--depository--bank--may--make--the--funds  
24 available--according--to--its--policy.

25 (3)--This--section--does--not--affect--a--bank's--right--as

1 established--by--applicable--law--to--apply--funds--in--a--customer's  
2 account--to--an--obligation--of--the--customer.

3 (4)--A--bank--may--make--funds--available--for--withdrawal  
4 within--a--shorter--period--than--required--by--subsection--(1).

5 NEW-SECTION: Section 1. Bank's FINANCIAL  
6 INSTITUTION'S responsibility to provide notice when funds  
7 become available for withdrawal. (1) A depository bank shall  
8 provide clear and conspicuous written notice of the time  
9 periods provided in (section 2) and exceptions to the  
10 periods, concerning when funds become available for  
11 withdrawal as of right on deposit by check or similar  
12 instrument in the customer's deposit account. The notice  
13 must state the cutoff hour, if any, fixed by the bank  
14 FINANCIAL INSTITUTION after which an item is treated as  
15 being received at the opening of the next banking BUSINESS  
16 day.

17 (2) This notice must be:

18 (a) provided to a potential customer prior to opening  
19 a deposit account;

20 (b) mailed to each of the bank's FINANCIAL  
21 INSTITUTION'S present customers on or before December 31,  
22 1985; and

23 (c) posted in a conspicuous manner at each bank  
24 FINANCIAL INSTITUTION, automatic teller machine location, or  
25 other device that accepts deposits.

1 (3) A deposit slip or envelope, or any other printed  
2 form furnished by the depository bank FINANCIAL INSTITUTION  
3 used in connection with deposits, must contain the following  
4 notice, printed in a conspicuous manner: "Your deposit may  
5 not be available for immediate withdrawal. Consult posted  
6 notices for further information."

7 NEW SECTION---Section 4---Violation---as---unfair---trade  
8 practice---A bank's---failure---to---comply---with---any---of---the  
9 provisions---of---{section 2 or 3}---is---an---unfair---trade---practice  
10 under Title 30, chapter 14, parts 1 and 2.

11 Section 5---Section 30-4-213, MCA, is amended to read:

12 "30-4-213.---Final payment of item by payor bank---when  
13 provisional---debits and credits become final---when certain  
14 credits become available for withdrawal.---(1)---An---item---is  
15 finally---paid---by---a---payor---bank---when---the---bank---has---done---any---of  
16 the following, whichever happens first:

17 (a)---paid---the---item---in---cash,---or

18 (b)---settled---for---the---item---without---reserving---a---right---to  
19 revoke---the---settlement---and---without---having---such---right---under  
20 statute, clearinghouse rule or agreement, or

21 (c)---completed---the---process---of---posting---the---item---to---the  
22 indicated account of the drawer, maker or other person to be  
23 charged therewith, or

24 (d)---made---a---provisional---settlement---for---the---item---and  
25 failed---to---revoke---the---settlement---in---the---time---and---manner

1 permitted---by---statute, clearinghouse rule or agreement. Upon  
2 a final payment under subparagraphs (b), (c) or (d) the  
3 payor bank shall be accountable for the amount of the item,  
4 (2)---if---provisional---settlement---for---an---item---between---the  
5 presenting---and---payor---banks---is---made---through---a---clearinghouse  
6 or---by---debits---or---credits---in---an---account---between---them, then---to  
7 the---extent---that---provisional---debits---or---credits---for---the---item  
8 are---entered---in---accounts---between---the---presenting---and---payor  
9 banks---or---between---the---presenting---and---successive---prior  
10 collecting banks seriatim, they become final upon final  
11 payment of the item by the payor bank;

12 (3)---If---a---collecting---bank---receives---a---settlement---for---an  
13 item which is or becomes final (subsection (3) of 30-4-211,  
14 subsection (2) of 30-4-213) the bank is accountable to its  
15 customer for the amount of the item and any provisional  
16 credit given for the item in an account with its customer  
17 becomes final;

18 (4)---Subject---to---any---right---of---the---bank---to---apply---the  
19 credit---to---an---obligation---of---the---customer, credit given by a  
20 bank for an item in an account with its customer becomes  
21 available for withdrawal as of right: under the provisions  
22 of {section 2};

23 (a)---in---any---case---where---the---bank---has---received---a  
24 provisional---settlement---for---the---item, when such settlement  
25 becomes final and the bank has had a reasonable time to



1 learn-that-the-settlement-is-final;  
2 (b)--in--any--case--where-the-bank-is-both-a-depositary  
3 bank-and-a-payor-bank-and-the-item-is-finally-paid,--at--the  
4 opening--of--the-bank's-second-banking-day-following-receipt  
5 of-the-item;  
6 (5)--A-deposit-of-money-in-a-bank-is--final--when--made  
7 but,--subject--to-any-right-of-the-bank-to-apply-the-deposit  
8 to-an-obligation--of--the--customer,--the--deposit--becomes  
9 available--for--withdrawal-as-of-right-at-the-opening-of-the  
10 bank's-next-banking-day-following-receipt-of--the--deposit."

-End-