WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1949

ENROLLED

SENATE BILL No. 140

(By Mr. Eddy)

PASSED March 7, 1949

In Effect 90 days from Passage
ENROLLED

Senate Bill No. 140

(BY MR. EDDY)

[Passed March 7, 1949; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article four-A, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the collection, payment and dishonor of demand items by banks and the revocation of credit for, and payment of, such items.

Be it enacted by the Legislature of West Virginia:

That section three, article four-A, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 3. Within What Time Provisional Credit May Be Revoked.—In any case in which a bank receives, other than for immediate payment over the counter, a demand
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4 item payable by, at or through such bank and gives
5 credit therefor before midnight of the day of receipt,
6 such credit shall be provisional and the bank may have
7 until midnight of its next business day after receipt
8 within which to dishonor or refuse payment of such item.
9 Any credit so given together with all related entries on
10 the books of the receiving bank may be revoked by
11 returning the item, or if the item is held for protest or
12 at the time is lost or is not in the possession of the bank,
13 by giving written notice of dishonor, nonpayment, or
14 revocation: Provided, That such item or notice is dis-
15 patched in the mails or by other expeditious means not
16 later than midnight of the bank's next business day
17 after the item was received. For the purpose of deter-
18 mining when notice of dishonor must be given or protest
19 made under the law relative to negotiable instruments,
20 an item duly presented, credit for which is revoked as
21 authorized by this section, shall be deemed dishonored
22 on the day the item or notice is dispatched. A bank,
23 revoking credit pursuant to the authority of this sec-
24 tion, shall be entitled to refund of, or credit for, the
amount of the item.

For the purposes of this section: (a) An item received by a bank on a day other than its business day, or received on a business day after its regular business hours or during afternoon or evening periods when it has reopened or remained open for limited functions, shall be deemed to have been received at the opening of its next business day; and (b) The term “credit” includes payment, remittance, advice of credit or authorization to charge and, in cases where the item is received for deposit as well as for payment, also includes the making of appropriate entries to the receiving bank’s general ledger without regard to whether the item is posted to individual customers’ ledgers.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

Takes effect 90 days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within Approved this the 12th day of March, 1949.

Governor.

Filed in the Office of the Secretary of State of West Virginia MAR 14, 1949

D. Pitt O'Brien,
Secretary of State