



Ohio Revised Code

Section 1304.28 Payor bank's responsibility for late return of item - UCC 4-302.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

(A) If an item is presented to and received by a payor bank, the bank is accountable for either of the following:

(1) The amount of a demand item other than a documentary draft whether properly payable or not if the bank, in any case in which it is not also the depository bank, retains the item beyond midnight of the banking day of receipt without settling for it or, regardless of whether or not it is also the depository bank, does not pay or return the item or send notice of dishonor until after its midnight deadline;

(2) The amount of any other properly payable item unless within the time allowed for acceptance or payment of that item the bank either accepts or pays the item or returns it and accompanying documents.

(B) The liability of a payor bank to pay an item pursuant to division (A) of this section is subject to defenses based on breach of a presentment warranty or proof that the person seeking enforcement of the liability presented or transferred the item for the purpose of defrauding the payor bank.
