

House Bill 488

By: Representatives Cheokas of the 134th, Lane of the 167th, Powell of the 171st, Lindsey of the 54th, Willard of the 49th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 16-9-20 of the Official Code of Georgia Annotated, relating to
2 deposit account fraud, so as to clarify that a victim of deposit account fraud or his or her
3 agent is authorized to recover certain actual costs incurred in collecting for the bad
4 instrument; to provide for related matters; to provide for an effective date and applicability;
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 16-9-20 of the Official Code of Georgia Annotated, relating to deposit account
9 fraud, is amended by revising subsections (j) and (k) as follows:

10 "(j) For purposes of this Code section, no service charge or bad instrument charge shall
11 exceed \$30.00 or 5 percent of the face amount of the instrument, whichever is greater,
12 except that the holder of the instrument may also charge the maker an additional fee in an
13 amount equal to that charged to the holder by the bank or financial institution as a result
14 of the instrument not being honored; and except that the holder of the instrument may also
15 charge the maker an additional fee in an amount equal to court costs incurred by the holder
16 as a result of the instrument not being honored and may also charge the maker a fee in an
17 amount equal to all certified and registered mailing fees reasonably incurred as a result of
18 providing notice as required by this Code section.

19 (k) An action under this Code section may be prosecuted by the party initially receiving
20 a worthless instrument, such party's agent, or by any subsequent holder in due course of
21 any such worthless instrument, or such holder's agent."

22 **SECTION 2.**

23 This Act shall become effective on July 1, 2011, and shall apply to all instruments made,
24 drawn, uttered, executed, or delivered on and after such date.

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SECTION 3.

26 All laws and parts of laws in conflict with this Act are repealed.