

(1998 Replacement Volume and 2001 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

15-802.

(a) When a check or other instrument has been dishonored by nonacceptance or nonpayment and has not been paid within 10 days, the holder to whom the check or other instrument was issued or negotiated may send a notice of dishonor to the maker or drawer as provided under this section.

(b) If a check or other instrument has not been paid within 30 days after the holder has sent a notice of dishonor to the maker or drawer, the maker or drawer of a check or other instrument that has been dishonored shall be liable for:

- (1) The amount of the check or instrument;
- (2) A collection fee of up to \$35; and
- (3) An amount up to 2 times the amount of the check, but not more than \$1,000.

(c) (1) (i) The holder of a check or other instrument that has been dishonored may seek the damages provided under this section in [any] THE District Court of [the State] MARYLAND 30 days after a notice of dishonor has been sent by mail to the last known address of the maker or drawer.

(ii) The holder shall obtain a certificate of mailing from the U.S. Postal Service for each notice sent by the holder under subparagraph (i) of this paragraph.

(2) A notice of dishonor sent by a holder under this section to a maker or drawer of a dishonored check or other instrument shall substantially comply with the form prescribed in § 15-803 of this subtitle.

(d) A holder may not recover any damages under subsection (b)(3) of this section if:

(1) The holder has demanded of, and received from, the maker or drawer:

(i) Collection costs in excess of the collection fee provided under subsection (b)(2) of this section; or

(ii) Collection costs within 30 days after the mailing of the notice of dishonor, under subsection (c) of this section; or

(2) The dishonored check or other instrument provides for the payment of collection costs in the event of dishonor.