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An Act Regarding Penalties for Payments Made to the State That Are Rejected by a Financial Institution

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §130, 3rd ¶, as amended by PL 1991, c. 622, Pt. C, is further amended to read:

Any person who makes payment of an amount due to any state department, agency, board, commission, authority or other state entity ~~by means of a check~~ is liable, if the ~~check is returned unpaid by a bank on which it is drawn because~~ payment fails as a result of insufficient funds, a closed account, no account or a similar reason, for a penalty of \$20, which must be reported and paid to the Treasurer of State as undedicated revenue to the General Fund. The penalty provided by this section is in addition to any other penalties provided by law.

SUMMARY

This bill clarifies that when a person makes a payment to any state department, agency, board, commission, authority or any other state entity and that payment fails as a result of insufficient funds, a closed account, no account or a similar reason, that person is liable for a \$20 penalty.