

2021 Kansas Statutes

9-1213. Payment of drafts of failed or closed banks. When any drawee bank shall be presented with a draft drawn on the drawee bank in the usual course of business by a drawer bank that has failed or been closed by operation of law or legal action, the drawee bank shall accept and pay such draft regardless of having received notice, constructive or otherwise, of the failure or closing of the drawer bank if the:

- (a) Draft was issued prior to the failure or closing of the drawer bank;
- (b) drawee bank has, on deposit to the credit of the failed or closed drawer bank, sufficient funds to pay the draft; and
- (c) drawee bank has received proof that the draft represents payment of cash letters covering checks that had been charged to the individual accounts of the failed or closed drawer bank prior to the failure or closing of the drawer bank.

History: L. 1955, ch. 66, § 1; L. 2015, ch. 38, § 72; L. 2016, ch. 54, § 32; July 1.