



CITY OF SACRAMENTO

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DEPARTMENT OF FINANCE

REVENUE DIVISION

April 10, 1985
RD:851080-ADM:MLM:ld

Law & Legislation Committee
Sacramento, CA

Honorable Members in Session:

SUBJECT: COLLECTION OF DISHONORED CHECKS

SUMMARY

This report recommends that the Law and Legislation Committee authorize staff to express support for an amendment to Civil Code Section 1719 to facilitate the collection of dishonored checks.

BACKGROUND

Civil Code Section 1719, effective January 1, 1984, authorizes treble damages, but in no case less than one hundred dollars (\$100) and in no case more than five hundred dollars (\$500), whenever a person delivers a check which is dishonored for lack of funds, if the person does not heed a 30-day written demand to replace the check with cash.

DISCUSSION

The Revenue Division has attempted to use Section 1719 when going to Small Claims Court on dishonored checks which have not been replaced upon request. Unfortunately, the section as enacted requires that the 30-day written notice be delivered by certified mail to the maker of the check. Thus, by simply refusing to sign for a certified letter, the maker of a bad check avoids the effect of Section 1719. Or, if the maker's spouse or other family member signs for the certified letter, again the section is ineffective.


Most state statutes presume delivery of a letter that is mailed postage prepaid. Staff recommends that the Law & Legislation Committee authorize staff to express support for an amendment to Civil Code Section 1719 which would make the 30-day demand effective when personally delivered to the maker or when mailed, postage prepaid, to the maker at the address shown on the check, or if there is no address on the check, to such address as is known to the holder of the check. Support for such an amendment is expected from the County of Sacramento, major department stores, grocery chains, etc.

April 10, 1985

RECOMMENDATION

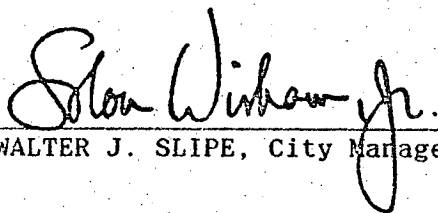
It is recommended that the Law & Legislation Committee authorize staff to express support for an amendment to Civil Code Section 1719 which would make the 30-day demand effective when personally delivered to the maker or when mailed, postage prepaid, to the maker at the address shown on the check, or if there is no address on the check, to such address as is known to the holder of the check.

Respectfully submitted,



MICHAEL L. MEDEMA
Revenue Officer

RECOMMENDATION APPROVED:



WALTER J. SLIPE, City Manager

May 2, 1985
All Districts