

State of South Dakota

SEVENTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 1997

772A0551

HOUSE BILL NO. 1072

Introduced by: Representative Hunt and Senator Whiting

1 FOR AN ACT ENTITLED, An Act to revise certain provisions of the Uniform Commercial
2 Code relating to nonnegotiable instruments.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That subsection (I) of § 57A-9-105 be amended to read as follows:

5 (I) "Instrument" means a negotiable instrument (defined in § 57A-3-104), or a
6 certificated security (defined in § 57A-8-102), a writing that would otherwise
7 qualify as a certificate of deposit as defined in subsection (j) of § 57A-3-104
8 but for the fact that the writing contains a limitation on transfer, or any other
9 writing which evidences a right to the payment of money and is not itself a
10 security agreement or lease and is of a type which is in ordinary course of
11 business transferred by delivery with any necessary endorsement or assignment;

12 Section 2. That subsection (d) of § 57A-3-110 be amended to read as follows:

13 (d) If an instrument is payable to two or more persons alternatively, it is payable to any of
14 them and may be negotiated, discharged, or enforced by any or all of them in possession of the
15 instrument. If an instrument is payable to two or more persons not alternatively, it is payable to
16 all of them and may be negotiated, discharged, or enforced only by all of them. If an instrument

1 payable to two or more persons is ambiguous as to whether it is payable to the persons
2 alternatively, the instrument is payable to the persons alternatively. For the purposes of this
3 subsection, the term, instrument, includes a writing that would otherwise qualify as a certificate
4 of deposit but for the fact that the writing contains a limitation on transfer.