

## 2016 Kansas Statutes

**84-3-411. Refusal to pay cashier's checks, teller's checks and certified checks.** (a) In this section, "obligated bank" means the acceptor of a certified check or the issuer of a cashier's check or teller's check bought from the issuer.

(b) If the obligated bank wrongfully (1) refuses to pay a cashier's check or certified check, (2) stops payment of a teller's check, or (3) refuses to pay a dishonored teller's check, the person asserting the right to enforce the check is entitled to compensation for expenses and loss of interest resulting from the nonpayment and may recover consequential damages if the obligated bank refuses to pay after receiving notice of particular circumstances giving rise to the damages.

(c) Expenses or consequential damages under subsection (b) are not recoverable if the refusal of the obligated bank to pay occurs because (1) the bank suspends payments, (2) the obligated bank asserts a claim or defense of the bank that it has reasonable grounds to believe is available against the person entitled to enforce the instrument, (3) the obligated bank has a reasonable doubt whether the person demanding payment is the person entitled to enforce the instrument, or (4) payment is prohibited by law.

**History:** L. 1991, ch. 296, § 48; Feb. 1, 1992.