

§ 25-3-506. Collection of processing fee for returned checks.

A person who accepts a check in payment for goods or services or the person's assignee may charge and collect a processing fee, not to exceed thirty-five dollars (\$35.00), for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank.

If a collection agency collects or seeks to collect on behalf of its principal a processing fee as specified in this section in addition to the sum payable of a check, the amount of the processing fee shall be separately stated on the collection notice. The collection agency shall not collect or seek to collect from the drawer any sum other than the actual amount of the returned check and the specified processing fee. (1981, c. 781, s. 1; 1983, c. 529; 1987, c. 147; 1991, c. 455, s. 1; 1995, c. 232, s. 1; 1997-334, s. 1; 2000-118, s. 1; 2019-77, s. 1(a).)