

STATE OF CALIFORNIA

SACRAMENTO 14

M-1323.1

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Inter-Departmental Communication

File No.

Date: March 6, 1946

To: Mr. Harold J. Bohannon
Office of State Controller

Subject: In re Negotiable Paper-
Section 3450

From: Department of Justice

E. G. Benard

As defined in Section 3450 "negotiable paper" means bank checks, drafts and express and post office money orders". From the legislative history of this section and the intent and purpose sought to be accomplished, as gathered from the whole of Chapter 2.2, Part 6, Division 1 of the Revenue and Taxation Code (Statutes 1945, page 655) the term "bank checks and drafts" is not intended to be confined to "cashiers checks or "certified checks" or checks drawn by the bank itself, but was intended to cover all personal checks drawn upon a bank, so that the Tax Collector could accept personal checks in payment of property sold at public auction.

A personal check drawn on a bank is of course a negotiable instrument; so is a draft drawn on an individual; and so is an ordinary promissory note. The purpose of the definition contained in Section 3450 was to confine negotiable paper to those negotiable instruments which were drawn on banks.

EGB:FTB

DEFINES NEGOTIABLE PAPER