

HOUSE RESEARCH

Bill Summary

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Authors: Hortman and others

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Analyst: Mary Mullen

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Overview

This bill allows for agency designation on accounts. This bill provides the procedures for creating an agency designation on an account and form language to create single or multiparty accounts with an agent.

Section

- 1** **Defining agent.** Adds the definition of “agent,” as a person authorized to make account transactions for a party, to the definition section.
- 2** **Party.** Excludes an agent from the definition of a “party” who has rights to an account.
- 3** **Ownership of account.** Clarifies the agency designation does not give an agent a beneficial rights to sums on the deposit in the account.
- 4** **Rights of survivorship.** Clarifies that the deposits remaining at the death of a party are distributed to the surviving party or parties except when there is clear and convincing evidence of a different intention or there are different dispositions made by a valid will.
- 5** **Discharge from claims.** Includes a person having agency designation as a party that can give written notice to not permit a payment. It does not allow the liability exception for the financial institution to apply when written notice has been given and the financial institution has had a reasonable opportunity to act on it when the payment is made. Adds that a financial institution that receives written notice pursuant to this section or has reason to believe a dispute exists can refuse, without fear of liability, to make a payment in accordance with the terms of the account.

Section

- 6** **Sample form for contract deposit.** Provides a sample form to create a single or multiparty account with optional survivorship rights and optional agency designation.
- 7** **Nonconforming contract of deposit.** Provides that if the contract of deposit does not contain substantially the same provisions as the form in this section, then it is governed by the provisions applicable to an account that most nearly conforms to the depositor's intent.
- 8** **Designation of agent.** Provides that an agent can be designated with a writing and that the agency survives disability or incapacity unless indicated in the writing. This section also provides how an agency can be terminated and the liability of a financial institution related to knowledge of the termination of an agency designation.
- 9** **Types of account; existing accounts.** Allows agency designations on either single party or multiparty accounts and when a payable on death account designation is made as well. This section preserves previously made accounts so that the provisions in this bill do not change those accounts.