

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows for agency designation on accounts, provides procedures for creating an agency designation on an account, and enacts 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** **Ownership of account.** Clarifies the agency designation does not give an agent a beneficial rights to sums on the deposit in the account.
- 3** **Designation of an agent.** The parties on an account can designate a person to make account transactions through a written document that is signed by the party or parties on the account. The designation of the agent can indicate that it terminates on disability or incapacity. Without that specific designation then the agency designation will continue if the party or parties on the account are disabled or incapacitated. The agent can act for the party until: the party terminates the agent, a guardian or conservator is appointed and they terminate the agent, a power of attorney is signed and they terminate the agent, or until the death of the party or parties who created the agency designation. The financial institution may pay sums on the deposits to the agent even if the party or parties are disabled, incapacitated, or deceased when the request is made or received, and even if the authority terminates on the disability or incapacity of the party.

Section

- 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.
- 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 **Non-conforming 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.