

# STATE OF NEW YORK

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1578--A

2023-2024 Regular Sessions

## IN ASSEMBLY

January 17, 2023

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Introduced by M. of A. WALLACE, TAPIA, LUPARDO -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to establishing joint and survivorship accounts

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The banking law is amended by adding a new section 675-a to  
2 read as follows:

3 § 675-a. Joint accounts; joint and survivorship accounts. 1. Joint  
4 accounts. (a) When a deposit of cash, securities, or other property has  
5 been made or shall hereafter be made in or with any banking organization  
6 or foreign banking corporation transacting business in this state, or  
7 shares shall have been already issued or shall be hereafter issued, in  
8 any savings and loan association or credit union transacting business in  
9 this state, in the name of such depositor or shareholder and another  
10 person and in form to be paid or delivered to either, or the survivor of  
11 them, such deposit or shares and any additions thereto or accruals there-  
12 on may be paid or delivered to either during the lifetime of both, and  
13 such payment or delivery and the receipt or acquittance of the one to  
14 whom such payment or delivery is made, shall be a valid and sufficient  
15 release and discharge to the banking organization for all payments or  
16 deliveries made on account of such deposit or shares prior to the  
17 receipt by the banking organization of notice in writing signed by  
18 either one of such persons, not to pay or deliver such deposit or shares  
19 and the additions and accruals thereon in accordance with the terms  
20 thereof, and after receipt of any such notice, the banking organization  
21 may require the receipt or acquittance of both such persons for any  
22 further payments or delivery.

23 (b) Title to the property on deposit in an account described in para-  
24 graph (a) of this subdivision or to the shares issued as described in

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 paragraph (a) of this subdivision is solely in the depositor no matter  
2 the source of the property on deposit or used to acquire the shares or  
3 when the property was deposited or the shares acquired.

4 (c) On the death of the other person during the lifetime of the depos-  
5 itor the payment or delivery to the depositor of any or all of the funds  
6 remaining in the account shall be a valid and sufficient release to the  
7 banking organization.

8 (d) On the death of the depositor during the lifetime of the other  
9 person, the banking organization shall deliver the funds remaining in  
10 the account in accord with the contract, signature card, or other docu-  
11 ment between the banking organization and the depositor governing the  
12 account, which contract, signature card, or other document shall  
13 include a provision governing the disposition of the funds remaining in  
14 the account on the death of the depositor which shall be in substantial-  
15 ly the following form:

16 On the death of the depositor, {name}, the funds in the account shall  
17 be disposed of as follows (select one and initial):

18 As part of the estate of the depositor, {name}. (the account is a  
19 convenience account)

20 To the other person, {name}. (the account is a survivorship account)

21 (e) If the contract, signature card, or other document does not  
22 include such a provision or if it does and the depositor did not select  
23 one or the alternative the funds remaining in the account at the depos-  
24 itor's death shall be part of the depositor's estate.

25 2. Convenience accounts. If the depositor has designated the inten-  
26 tion or it is conclusively presumed that the remaining funds pass as  
27 part of the depositor's estate, (a) payment or delivery to the other  
28 person of any or all of the funds remaining in the account shall still  
29 be a valid and sufficient release to the banking organization if made  
30 prior to the receipt by the banking organization of written notice of  
31 the depositor's death, and (b) a banking organization which, prior to  
32 service upon it of a restraining order, injunction or other appropriate  
33 process from a court of competent jurisdiction prohibiting payment,  
34 makes payment to the executor, administrator or other qualified repre-  
35 sentative of the deceased depositor's estate, shall, to the extent of  
36 such payment, be released from liability to any person claiming a right  
37 to the funds and the receipt or acquittance of the executor, administra-  
38 tor or qualified representative to whom payment is made shall be a valid  
39 and sufficient release and discharge of the banking organization.

40 3. Survivorship accounts. If the depositor has indicated the intention  
41 that the remaining funds pass to the other person by right of survivor-  
42 ship, payment or delivery to the other person of any or all of the funds  
43 remaining in the account shall be a valid and sufficient release to the  
44 banking organization if made prior to service upon it of a restraining  
45 order, injunction or other appropriate process from a court of competent  
46 jurisdiction prohibiting such payment.

47 4. Regulations of the superintendent. The superintendent shall promul-  
48 gate and may from time to time amend rules and regulations which require  
49 that the depositor of a joint account under this section be informed of  
50 the terms and conditions of the account, including the relationship and  
51 consequences between the parties in the account and the responsibilities  
52 of the institution with which the account is established.

53 5. Application. (a) This subdivision or any rule or regulation there-  
54 under shall not be deemed or construed as increasing or diminishing the  
55 rights or liability of any person or entity.

1     (b) The provisions of this section shall apply to accounts established  
2     on or after the effective date of this section.  
3     § 2. This act shall take effect on the thirtieth day after it shall  
4     have become a law. Effective immediately, the addition, amendment  
5     and/or repeal of any rule or regulation necessary for the implementation  
6     of this act on its effective date are authorized to be made and  
7     completed on or before such effective date.