

# STATE OF NEW YORK

9383--A

Cal. No. 1305

## IN SENATE

May 14, 2024

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the banking law, in relation to establishing multiple-person accounts; and to repeal certain provisions of such law relating thereto

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

1 Section 1. Section 675 of the banking law is amended by adding a new  
2 subdivision (d) to read as follows:

3 (d) This section shall not apply to accounts established after July  
4 first, two thousand twenty-five in New York state for personal use.

5 § 2. Section 678 of the banking law is REPEALED and a new section 678  
6 is added to read as follows:

7 § 678. Multiple-person accounts; personal account ownership and  
8 payment. 1. Definitions. Notwithstanding any other provisions of law,  
9 for the purposes of this section:

10 (a) "Account" means a contract of deposit between one or more account  
11 owners and a bank.

12 (b) "Administer" means, in connection with the account signature card,  
13 a bank offering the account signature card to one or more account owners  
14 upon establishing or changing the terms of a single-owner or multiple-  
15 person account and providing information to help such account owner or  
16 owners to understand and complete such account signature card; provided  
17 however, that nothing in this section shall be construed to require bank  
18 personnel to provide legal or estate planning advice to an account owner  
19 or owners pursuant to this section.

20 (c) "Account owner" means a person who, by the terms of an account,  
21 has a present right, subject to request, to payment from the account  
22 other than an authorized signer.

23 (d) "Account signature card" means the following contract of deposit  
24 establishing the terms of a single-owner or multiple-person account in

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

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1 the following form, or a substantially equivalent form in the account  
2 owner's primary language, in fourteen-point type, published by the  
3 department of financial services, whether in physical or electronic  
4 written form:

5 ACCOUNT SIGNATURE CARD

6 THIS IS AN IMPORTANT LEGAL DOCUMENT. THE SELECTIONS BELOW WILL DETERMINE  
7 WHO OWNS THE FUNDS IN THIS ACCOUNT AND HOW SUCH FUNDS WILL PASS UPON THE  
8 DEATH OF AN ACCOUNT OWNER. YOU MAY WISH TO CONSULT AN ATTORNEY.

9 I. ACCOUNT OWNER(S). Identify the account owner or owners.

10 Each account owner's share of the account funds is equal to their  
11 deposits minus their withdrawals. The bank is not responsible for deter-  
12 mining shares and may pay funds to any identified account owner.

13 1. \_\_\_\_\_

14 2. \_\_\_\_\_

15 3. \_\_\_\_\_

16 II. AUTHORIZED SIGNER(S). Identify the authorized signer or signers  
17 (optional).

18 The account owner or owners may (but need not) designate one or more  
19 "authorized signers" to make account transactions for their convenience.  
20 An authorized signer has no right to take possession of account funds or  
21 use such funds for personal benefit. While any account owner lives, the  
22 bank may pay funds to any identified authorized signer.

23 1. \_\_\_\_\_

24 2. \_\_\_\_\_

25 3. \_\_\_\_\_

26 III. DISPOSITION OF ACCOUNT WITH MULTIPLE OWNERS UPON DEATH.

27 Only answer the following question if the account has more than one  
28 owner. Should a deceased account owner's share of the account funds pass  
29 to the other surviving account owner or owners?

30 NO. A deceased account owner's share of the account funds should  
31 be disposed of as part of such owner's estate.

32 YES. A deceased account owner's share of the account funds should  
33 pass to the surviving account owner or owners.

34 Signature Block and Notarization

35 Account owner(s) and authorized signer(s) MUST SIGN AND DATE BELOW. Any  
36 signature below must be acknowledged before a notary public to ensure  
37 its validity if this signature card has not been administered by a bank.

1 By signing below, I acknowledge that I have reviewed each section of  
2 this form and understand the ownership rights associated with the  
3 account selections above. I have marked the type of account I want.

4 Account Owner Signature \_\_\_\_\_ Date \_\_\_\_\_

5 By signing below, I acknowledge that I have reviewed each section of  
6 this form and understand the ownership rights associated with the  
7 account selections above. As an authorized signer, I understand that I  
8 do not own the funds in this account and have no right to use such funds  
9 for my personal benefit or to take possession of such funds upon an  
10 account owner's death.

11 Authorized Signer(s) Signature \_\_\_\_\_ Date \_\_\_\_\_

12 (e) "Authorized signer" means a person authorized to make account  
13 transactions for the convenience of an account owner but who does not  
14 own the account and has no beneficial right to sums on deposit.

15 (f) "Authorized signer designation" means the designation of an  
16 authorized signer in an account payable on request to one or more  
17 account owners.

18 (g) "Contract of deposit" means a written document establishing the  
19 terms of an account between a bank and one or more account owners.

20 (h) "Distributee" means a distributee as defined in section 1-2.5 of  
21 the estates, powers and trusts law.

22 (i) "Bank" shall mean a bank as defined in section two of this chap-  
23 ter, credit union, savings bank, private banker, savings and loan asso-  
24 ciation, foreign banking corporation licensed by the superintendent, and  
25 interstate branch established pursuant to article five-C of this chap-  
26 ter.

27 (j) "Multiple-owner account" means an account payable on request to  
28 two or more account owners.

29 (k) "Multiple-person account" means (1) any multiple-owner account or  
30 (2) a single-owner account with an authorized signer designation.

31 (l) "Net contribution" means the sum of deposits made by or on behalf  
32 of an account owner less withdrawals made by or on behalf of such  
33 account owner which have not been paid to or applied to the use of  
34 another account owner and a proportionate share of any charges deducted  
35 from the account, plus a proportionate share of any interest or divi-  
36 dends earned, whether or not included in the current balance. Such term  
37 includes any deposit of life insurance proceeds added to the account by  
38 reason of death of the account owner whose net contribution is in ques-  
39 tion.

40 (m) "Payment of sums on deposit" or "payment" means withdrawal or  
41 payment to an account owner, authorized signer or third person author-  
42 ized by the account owner to make transactions pursuant to request.

43 (n) "Person" means an individual, a corporation, organization, or  
44 other legal entity.

45 (o) "Personal representative" means a personal representative as  
46 defined in section 2-1.13 of the estates, powers and trusts law.

47 (p) "Receive", as it relates to notice to a bank, means receipt in the  
48 office or branch office of the bank in which the account is established.

49 (q) "Request" means a request for payment complying with all terms of  
50 the account and account signature card, including special requirements  
51 concerning necessary signatures and regulation of the bank.

1 (r) "Single-owner account" means an account payable on request to one  
2 account owner.

3 (s) "Sums on deposit" means the balance payable on the account,  
4 including interest and dividends earned, whether or not included in the  
5 current balance and any deposit of life insurance proceeds added to the  
6 account by reason of death of an account owner.

7 (t) "Terms of the account" means the contract of deposit, including  
8 the account signature card, and any other terms and conditions of the  
9 deposit agreement.

10 (u) "Testamentary beneficiary" means a testamentary beneficiary as  
11 defined in section 1-2.18 of the estates, powers and trusts law.

12 2. Scope of section. (a) This section shall apply to multiple-person  
13 and single-owner accounts established in New York state for personal  
14 use.

15 (b) This section shall not apply to:

16 (i) An account established for a partnership, joint venture, or other  
17 organization for a business purpose;

18 (ii) An account controlled by one or more persons as an agent or trustee  
19 for a corporation, unincorporated association, or charitable or  
20 civic organization; or

21 (iii) A fiduciary or trust account in which the relationship is estab-  
22 lished other than by the terms of the account.

23 3. Types of accounts. (a) A bank may enter a contract of deposit to  
24 establish a single-owner account or a multiple-owner account and may  
25 provide for one or more authorized signer designations in each type of  
26 account. A multiple-owner account may be with or without a right of  
27 survivorship between the other account owners.

28 (b) An account established after the effective date of this section  
29 shall be considered either a single-owner account or a multiple-owner  
30 account, with or without the right of survivorship, and with or without  
31 one or more authorized signer designations.

32 4. Administration of account signature card. (a) The account signature  
33 card shall establish the type of account provided, and such accounts  
34 shall be governed by the provisions of this section applicable to such  
35 account type.

36 (b) The account signature card shall be administered by the bank upon  
37 the establishment of an account and thereafter if the account owner or  
38 owners change the terms of such account.

39 (c) All account owners on a multiple-owner account must agree in writ-  
40 ing to any change in the terms of an account relating to account owner-  
41 ship, survivorship rights, and authorized signers designations using the  
42 account signature card.

43 (d) The account signature card shall be signed and acknowledged before  
44 a notary public unless administered by a bank or filed electronically  
45 pursuant to section one hundred thirty-five-c of the executive law and  
46 article three of the state technology law and shall comply with other  
47 state laws and regulations.

48 (e) Each bank subject to this section shall maintain the account  
49 signature card for each account as long as such account remains open and  
50 for a period of no less than six years after it is closed.

51 5. Designation of authorized signer. (a) The account owner or owners  
52 may use the account signature card to designate a person or persons  
53 other than an account owner as an authorized signer.

54 (b) In a multiple-owner account, all account owners must consent to  
55 any authorized signer designation in writing using the account signature  
56 card.

1 (c) Unless the terms of an authorized signer designation provide that  
2 the authority of an authorized signer terminates on disability or inca-  
3 capacity of an account owner, such authorized signer's authority shall  
4 survive disability and incapacity.

5 (d) Death of the sole account owner or last surviving account owner  
6 shall terminate the authority of an authorized signer.

7 (e) The authority of a person designated as an attorney-in-fact for an  
8 account owner under a power of attorney shall take precedence over and  
9 supercede the authority of an authorized signer.

10 6. Account ownership during lifetime. (a) In a multiple-owner account,  
11 during the lifetimes of all account owners, an account belongs to the  
12 account owners in proportion to the net contribution of each to the sums  
13 on deposit, unless there is clear and convincing evidence of a different  
14 intent. In the absence of proof otherwise, the net contribution of each  
15 is presumed to be an equal amount.

16 (b) An authorized signer shall have no beneficial right to sums on  
17 deposit.

18 7. Rights at death. (a) Rights at death of an account owner are  
19 determined by the terms of the account at the time of such account  
20 owner's death.

21 (b) A transfer resulting from the application of this section shall be  
22 effective by reason of the terms of the account involved and this  
23 section and is not testamentary or subject to estate administration.

24 (c) Unless all the account owners have indicated a preference for the  
25 right of survivorship on the account signature card, or there is clear  
26 and convincing evidence of a different intent, upon the death of an  
27 account owner, sums on deposit in a multiple-owner account shall be  
28 disposed of as part of the estate of such deceased account owner.

29 (d) If two or more account owners survive, and all account owners have  
30 indicated a preference for the right of survivorship on the account  
31 signature card, unless there is clear and convincing evidence of a  
32 different intent, the amount to which the decedent, immediately before  
33 death, was beneficially entitled, pursuant to subdivision six of this  
34 section, shall belong to the surviving account owners in equal shares,  
35 and augments the proportion to which each survivor, immediately before  
36 the decedent's death, was beneficially entitled to pursuant to such  
37 subdivision, and the right of survivorship continues between the surviv-  
38 ing account owners.

39 (e) Sums on deposit in a single-owner account or a multiple-owner  
40 account that, by the terms of the account, is without right of survivor-  
41 ship, are not affected by the death of an account owner, but the amount  
42 to which the decedent, immediately before death, was beneficially enti-  
43 tled, pursuant to subdivision six of this section, is transferred as  
44 part of the decedent's estate.

45 (f) The ownership rights of a surviving account owner, or of the  
46 decedent's estate, in sums on deposit is subject to request for payment  
47 made by an account owner before the account owner's death, whether paid  
48 by the bank before or after death, or unpaid, the surviving account  
49 owner or the decedent's estate, is liable to the payee of an unpaid  
50 request for payment. The liability is limited to a proportionate share  
51 of the amount transferred under this section, to the extent necessary to  
52 discharge the request for payment.

53 8. Alteration of rights. (a) An account owner may alter the terms of  
54 the account by completing a new account signature card for such account  
55 and submitting it to the bank. To be effective, all account owners must  
56 consent to the alteration in writing using the account signature card,

1 and the notice must be received by the bank during an account owner's  
2 lifetime.

3 (b) A right of survivorship arising from the express terms of the  
4 account established pursuant to subdivision seven of this section may  
5 not be altered by will.

6 9. Payment on multiple-owner accounts. A bank, on request, may pay  
7 sums on deposit in a multiple-owner account to:

8 (a) one or more of the account owners, whether or not another account  
9 owner is disabled, incapacitated, or deceased when payment is requested  
10 and whether or not the account owner making the request survives another  
11 account owner; or

12 (b) the personal representative of an account owner who is deceased,  
13 or if there is none, pursuant to the provisions of article thirteen of  
14 the surrogate's court procedure act to the extent applicable, provided  
15 that in either case proof of death is presented to the bank showing that  
16 such deceased account owner was the survivor of all other account owners  
17 named on the account, unless the account is without right of survivor-  
18 ship pursuant to subdivision seven of this section.

19 10. (a) Payment to authorized signer. A bank, on request, may pay sums  
20 on deposit in an account with an authorized signer designation to such  
21 authorized signer whether or not an account owner is disabled, incapaci-  
22 tated, or deceased when the request is made or received, and whether or  
23 not the authority of the authorized signer terminates on the disability  
24 or incapacity of an account owner.

25 (b) Nothing contained herein shall be construed to conflict with  
26 federal or state laws or regulations requiring banks to report fraudu-  
27 lent or suspicious activity, or release banks from liability for the  
28 failure to comply with such state or federal laws and regulations.

29 11. Discharge of bank from liability. (a) Payment made pursuant to  
30 this section in accordance with the terms of the account and complying  
31 with the account signature card discharges the bank from all claims for  
32 amounts so paid, whether or not the payment is consistent with the bene-  
33 ficial account ownership of the account as between account owners or  
34 their successors. Payment may be made whether or not an account owner  
35 or authorized signer is disabled, incapacitated, or deceased when  
36 payment is requested, received, or made.

37 (b) Protection under this section does not extend to payments made  
38 after a bank has received written notice from an account owner, or from  
39 the personal representative, surviving spouse, distributee, or testamen-  
40 tary beneficiary of a deceased account owner, to the effect that  
41 payments in accordance with the terms of the account, including one  
42 having an authorized signer designation, should not be permitted, and  
43 the bank has had a reasonable opportunity to act on it when the payment  
44 is made. Unless the notice is withdrawn by the person giving it, the  
45 successor of any deceased account owner must concur in a request for  
46 payment if the bank is to be protected under this section. Unless a bank  
47 has been served with process in an action or proceeding, no other notice  
48 or other information shown to have been available to the bank affects  
49 its right to protection under this section.

50 (c) A bank that receives written notice pursuant to this section or  
51 otherwise has reason to believe that a dispute exists as to the rights  
52 of the account owners may refuse, without liability, to make payments in  
53 accordance with the terms of the account. A bank need not inquire as to  
54 the source of a deposit to an account or as to the proposed application  
55 of a payment from an account.

1 (d) Protection of a bank under this section does not affect the rights  
2 of account owners in disputes between themselves or their successors  
3 concerning the ownership of sums on deposit in accounts or payments made  
4 from accounts.

5 (e) Beneficial account ownership between account owners apply only to  
6 controversies between those persons and their creditors and other  
7 successors, and do not apply the right of those persons to payment as  
8 determined by the terms of the account.

9 12. Existing accounts. (a) Each bank shall, for each multiple-person  
10 account established before the effective date of this section, provide  
11 notice to the account owners of such accounts of the requirement to  
12 submit an account signature card. Each bank shall provide such notice  
13 within six months of the effective date of this section, and such notice  
14 shall include the account signature card.

15 (b) Such notice may be executed by mail or, if authorized by the  
16 account owner or owners, electronically, and may be combined with other  
17 notices or mailings. If the bank has not received an account signature  
18 card from an account owner within six months of providing the first  
19 notice pursuant to this section, the bank shall provide a second notice.

20 (c) Accounts established in New York state for personal use prior to  
21 July first, two thousand twenty-five, for which an account signature  
22 card has not been properly received pursuant to this section, shall be  
23 governed by section six hundred seventy-five of this article until such  
24 time an account signature card is properly received for such account  
25 pursuant to this section.

26 13. Regulations of the superintendent. The superintendent shall  
27 promulgate and may from time to time amend rules and regulations which  
28 require that the account owner or owners of a multiple-person account  
29 under this section be informed of the terms and conditions of the  
30 account, including the relationship and consequences between the persons  
31 associated with the account, the differences between account types, and  
32 the responsibilities of the institution with which the account is estab-  
33 lished.

34 14. Severability clause. If any provision of this section or its  
35 application to any person or circumstance is held invalid, the invalidi-  
36 ty does not affect other provisions or application of this section which  
37 can be given effect without the invalid provision or application, and  
38 to this end the provisions of this section are severable.

39 § 3. Section 679 of the banking law, as added by chapter 432 of the  
40 laws of 2018, is amended to read as follows:

41 § 679. Public awareness; banking services. The superintendent shall  
42 conduct a public awareness campaign to educate consumers on different  
43 banking services available in the state, particularly those that can  
44 assist vulnerable adults in financial planning, including, but not  
45 limited to, citizens of an advanced age, individuals with cognitive or  
46 developmental disabilities, or those who have health or physical issues  
47 that impair their financial independence. The public awareness campaign  
48 shall include information regarding the differences between types of  
49 accounts, including joint and [~~convenience~~] multiple-person accounts, as  
50 well as the rights and responsibilities generally recognized for each.  
51 The public awareness campaign shall also include, but not be limited to,  
52 answers to general concerns and questions that individuals may have with  
53 respect to the establishment of certain types of accounts and services,  
54 as well as information and recommendations for obtaining more informa-  
55 tion.

1 § 4. This act shall take effect July 1, 2025. Effective immediately,  
2 the addition, amendment and/or repeal of any rule or regulation neces-  
3 sary for the implementation of this act on its effective date are  
4 authorized to be made and completed on or before such effective date.