STATE OF NEW YORK

9477

IN SENATE

May 15, 2024

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

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:

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

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

(b) Title to the property on deposit in an account described in paragraph (a) of this subdivision or to the shares issued as described in paragraph (a) of this subdivision is solely in the depositor no matter the source of the property on deposit or used to acquire the shares or when the property was deposited or the shares acquired.

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

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

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(d) On the death of the depositor during the lifetime of the other person, the banking organization shall deliver the funds remaining in the account in accord with the contract, signature card, or other document between the banking organization and the depositor governing the account, which contract, signature card, or other document shall include a provision governing the disposition of the funds remaining in the account on the death of the depositor which shall be in substantially the following form:

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

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

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

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

2. Convenience accounts. If the depositor has designated the intention or it is conclusively presumed that the remaining funds pass as part of the depositor's estate, (a) payment or delivery to the other person of any or all of the funds remaining in the account shall still be a valid and sufficient release to the banking organization if made prior to the receipt by the banking organization of written notice of the depositor's death, and (b) a banking organization which, prior to service upon it of a restraining order, injunction or other appropriate process from a court of competent jurisdiction prohibiting payment, makes payment to the executor, administrator or other qualified representative of the deceased depositor's estate, shall, to the extent of such payment, be released from liability to any person claiming a right to the funds and the receipt or acquittance of the executor, administrator or qualified representative to whom payment is made shall be a valid and sufficient release and discharge of the banking organization.

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

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

5. Application. (a) This subdivision or any rule or regulation thereunder shall not be deemed or construed as increasing or diminishing the rights or liability of any person or entity.

(b) The provisions of this section shall apply to accounts established on or after the effective date of this section.

§ 2. This act shall take effect on the thirtieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.