

STATE OF NEW YORK

1578

2023-2024 Regular Sessions

IN ASSEMBLY

January 17, 2023

Introduced by M. of A. WALLACE -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to establishing joint and survivorship accounts; and repealing 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. 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) Notwithstanding the provisions of paragraph (a) of this subdivi-
24 sion, the making of such deposit or the issuance of such shares in such

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

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1 form shall not affect the title to such deposit or shares, which shall
2 remain in the depositor, and the depositor shall not be considered to
3 have made a gift of any part of the deposit or of any additions thereto
4 or accruals thereon to the other person.

5 (c) If an addition is made to such an account by anyone other than the
6 depositor, such an addition and accruals thereon shall be considered to
7 have been made by the depositor.

8 (d) On the death of the other person during the lifetime of the deposi-
9 tor the payment or delivery to the depositor of any or all of the funds
10 remaining in the account shall be a valid and sufficient release to the
11 banking organization.

12 2. Joint and survivorship accounts. On the death of the depositor of
13 an account established under subdivision one of this section during the
14 lifetime of the other person, the funds remaining in the account shall
15 pass either to the other person by right of survivorship or as part of
16 the depositor's estate, in accordance with the written designation of
17 the depositor made upon the establishment of the account. If the deposi-
18 tor dies without having designated the depositor's intention, the depo-
19 sitor shall be treated as having designated the intention that the
20 remaining funds pass as part of the depositor's estate. If the depositor
21 has designated the intention that the remaining funds pass as part of
22 the depositor's estate, (a) payment or delivery to the other person of
23 any or all of the funds remaining in the account shall still be a valid
24 and sufficient release to the banking organization if made prior to the
25 receipt by the banking organization of written notice of the depositor's
26 death, and (b) a banking organization which, prior to service upon it of
27 a restraining order, injunction or other appropriate process from a
28 court of competent jurisdiction prohibiting payment, makes payment to
29 the executor, administrator or other qualified representative of the
30 deceased depositor's estate, shall, to the extent of such payment, be
31 released from liability to any person claiming a right to the funds and
32 the receipt or acquittance of the executor, administrator or qualified
33 representative to whom payment is made shall be a valid and sufficient
34 release and discharge of the banking organization. If the depositor has
35 indicated the intention that the remaining funds pass to the other
36 person by right of survivorship, payment or delivery to the other person
37 of any or all of the funds remaining in the account shall be a valid and
38 sufficient release to the banking organization if made prior to service
39 upon it of a restraining order, injunction or other appropriate process
40 from a court of competent jurisdiction prohibiting such payment.

41 3. Regulations of the superintendent. (a) The superintendent shall
42 promulgate and may from time to time amend rules and regulations which
43 require that the depositor of a joint account under this section be
44 informed of the terms and conditions of the account, including the
45 relationship and consequences between the parties in the account and the
46 responsibilities of the institution with which the account is estab-
47 lished.

48 (b) This subdivision or any rule or regulation thereunder shall not be
49 deemed or construed as increasing or diminishing the rights or liability
50 of any person or entity.

51 4. Application. The provisions of this section shall apply to accounts
52 established on or after the effective date of this section.

53 § 2. Section 675 of the banking law is amended by adding a new subdi-
54 vision (d) to read as follows:

55 (d) Notwithstanding any provision of law to the contrary, the
56 provisions of this section shall apply only to accounts opened prior to

1 the effective date of section six hundred seventy-five-a of this arti-
2 cle.

3 § 3. Section 678 of the banking law is REPEALED.

4 § 4. Section 679 of the banking law, as added by chapter 432 of the
5 laws of 2018, is renumbered section 678 and is amended to read as
6 follows:

7 § 678. Public awareness; banking services. The superintendent shall
8 conduct a public awareness campaign to educate consumers on different
9 banking services available in the state, particularly those that can
10 assist vulnerable adults in financial planning, including, but not
11 limited to, citizens of an advanced age, individuals with cognitive or
12 developmental disabilities, or those who have health or physical issues
13 that impair their financial independence. The public awareness campaign
14 shall include information regarding the differences between types of
15 accounts, including joint [~~and convenience~~] accounts and joint and
16 survivorship accounts, as well as the rights and responsibilities gener-
17 ally recognized for each. The public awareness campaign shall also
18 include, but not be limited to, answers to general concerns and ques-
19 tions that individuals may have with respect to the establishment of
20 certain types of accounts and services, as well as information and
21 recommendations for obtaining more information.

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