

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:

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

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

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

LBD01238-02-3

1 (d) On the death of the depositor during the lifetime of the other
2 person, the banking organization shall deliver the funds remaining in
3 the account in accord with the contract, signature card, or other docu-
4 ment between the banking organization and the depositor governing the
5 account, which contract, signature card, or other document shall
6 include a provision governing the disposition of the funds remaining in
7 the account on the death of the depositor which shall be in substantial-
8 ly the following form:

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

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

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

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

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

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

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

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

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

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