# STATE OF NEW YORK

8549

2025-2026 Regular Sessions

# IN ASSEMBLY

May 20, 2025

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

AN ACT to amend the banking law, in relation to spousal and non-spousal joint accounts and convenience accounts

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

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

**(d) The provisions of this section shall apply to accounts established before the effective date of sections six hundred seventy-five-a and six hundred seventy-five-b of this article and which have not been modified by adding or deleting a signatory to such account on or after the effective date of such sections six hundred seventy-five-a and six hundred seventy-five-b.**

§ 2. Section 678 of the banking law is amended by adding a new subdivision 3 to read as follows:

**3. The provisions of this section shall apply to accounts established before the effective date of sections six hundred seventy-five-a and six hundred seventy-five-b of this article.**

§ 3. The banking law is amended by adding two new sections 675-a and 675-b to read as follows:

**§ 675-a. Spousal joint deposits and shares; ownership and payment during lifetime and after the death of one of the spouses. 1. When a deposit of cash, securities or other property is made in or with any banking organization or foreign banking corporation transacting business in this state or shares are issued in any saving and loan association or credit union transacting business in this state, in an account established after the effective date of this section in the name of such depositor or shareholder and another person, and the depositor and such other person are the only parties to the account and they are spouses at the time the contract, signature card or other document between them and**

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

LBD11949-02-5

the banking organization or foreign banking corporation is signed, or they indicate that they are spouses on such contract, signature card or other document at the time it is signed, and in form to be paid to or delivered to either of them, such deposit or shares and any additions thereto made, by either of such persons, after the making thereof, shall become the property of such persons as joint tenants with right of survivorship and the same, together with all additions and accruals thereon, shall be held for the exclusive use of the persons so named, and may be paid or delivered to either during the lifetime of both or to the survivor after the death of one of them, 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 or foreign banking corporation for all payments or deliveries made on account of such deposit or shares prior to the receipt by the banking organization or foreign banking corporation of notice in writing signed by any one of such joint tenants, 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 or foreign banking corporation may require the receipt or acquittance of both such joint tenants for any further payments or delivery.

2. The making of such deposit or the issuance of such shares in such form shall, in the absence of fraud or undue influence, be prima facie evidence, in any action or proceeding to which the banking organization, foreign banking corporation, surviving depositor or shareholder is a party, of the intention of both depositors or shareholders to create a joint tenancy and to vest title to such deposit or shares, and additions and accruals thereon, in such survivor. The burden of proof in refuting such prima facie evidence is upon the party or parties challenging the title of the survivor.

3. (a) The superintendent shall promulgate, and may from time to time amend, rules and regulations which require that the joint tenants of an account established on or after the date on which the rule or regulation becomes effective and representing any deposit or shares governed by the foregoing provisions of this section, shall, at the time the account is established, 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.

(b) 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 other entity.

§ 675-b. Non-spousal joint deposits and shares; ownership and payment during lifetime and after the death of the depositor. 1. Joint accounts. (a) When a deposit of cash, securities or other property is made in or with any banking organization or foreign banking corporation transacting business in this state or shares are issued in any saving and loan association or credit union transacting business in this state, in an account established after the effective date of this section in the name of such depositor or shareholder and another person or persons, and in form to be paid or delivered to any of the depositor or other such person or persons, if none of the other persons is the spouse of the depositor, or the depositor has not indicated on the contract, signature card or other document between the depositor and the banking organization or foreign banking corporation at the time it is signed that any of the other persons is the spouse of the depositor, such

deposit or shares and any additions thereto or accruals thereon may be paid or delivered to either or any during the lifetime of the depositor, 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 any 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 all 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 all the other persons 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.

(d) On the death of the depositor during the lifetime of the other person or persons, the banking organization shall deliver the funds remaining in the account in accordance 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 or persons {names} in equal shares (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 other 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 or persons 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 or persons by right of

survivorship, payment or delivery to the other person or persons 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.

§ 4. This act shall take effect July 1, 2026. 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.