

STATE OF NEW YORK

8549--B

2025-2026 Regular Sessions

IN ASSEMBLY

May 20, 2025

Introduced by M. of A. LAVINE -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Banks in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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

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) The provisions of this section shall apply only to accounts estab-
4 lished before the effective date of section six hundred seventy-five-a
5 of this article and which have not been modified on or after such effec-
6 tive date by the addition or removal of an account owner or convenience
7 signer as such terms are defined in section six hundred seventy-five-a
8 of this article; provided, however, that the designation or revocation
9 of authority under a power of attorney shall not be deemed a modifica-
10 tion for purposes of this subdivision.

11 § 2. Section 678 of the banking law is amended by adding a new subdi-
12 vision 3 to read as follows:

13 3. The provisions of this section shall apply only to accounts estab-
14 lished before the effective date of section six hundred seventy-five-a
15 of this article and which have not been modified on or after such effec-
16 tive date by the addition or removal of an account owner or convenience
17 signer as such terms are defined in section six hundred seventy-five-a
18 of this article; provided, however, that the designation or revocation
19 of authority under a power of attorney shall not be deemed a modifica-
20 tion for purposes of this subdivision.

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

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

3 § 675-a. Joint accounts and non-survivorship accounts. 1. Defi-
4 nitions. For the purposes of this section, the following terms shall
5 have the following meanings:

6 (a) "Account" means a relationship established pursuant to an account
7 agreement between one or more account owners and a depository institu-
8 tion.

9 (b) "Account agreement" means a record, including any contract, signa-
10 ture card, or other document, that establishes or governs the terms and
11 conditions of an account.

12 (c) "Account owner" means a natural person who, pursuant to the
13 account agreement, holds a present ownership interest in the sums on
14 deposit, and does not include a person authorized only to transact on
15 the account as an agent or convenience signer.

16 (d) "Convenience signer" means a person designated by the account
17 owner or owners in a convenience signer designation to transact on an
18 account without any ownership interest or survivorship rights, acting
19 only on behalf of such account owner or owners. The authority of a
20 person designated as an attorney-in-fact for an account owner under a
21 power of attorney shall take precedence over and supersede the authority
22 of a convenience signer.

23 (e) "Convenience signer designation" means a provision in an account
24 agreement, pursuant to which the account owner or owners may agree to
25 authorize one or more persons to act as convenience signers with respect
26 to the account, in substantially the following form:

27 "The account owner or owners may (but need not) designate one or more
28 "convenience signers" to make transactions on their behalf. A conven-
29 ience signer does not own the account and has no right to use the money
30 for their own personal benefit.

31 Identify the convenience signer or signers
32 (optional): "

33 (f) "Depository institution" means a banking organization, a foreign
34 banking corporation licensed by the superintendent to transact business
35 in this state, or an out-of-state state bank that opens or occupies a
36 branch in this state pursuant to article five-C of this chapter.

37 (g) "Joint account" shall mean a personal account governed by subdivi-
38 sion five of this section, created when two or more account owners have
39 designated, or are presumed pursuant to subdivision six of this section
40 to have designated, that the sums on deposit shall pass by right of
41 survivorship to the surviving account owner or owners upon the death of
42 an account owner.

43 (h) "Net contribution" means the sum of the deposits made by or on
44 behalf of an account owner on an account, less withdrawals made by or on
45 behalf of such account owner which have not been paid or applied to the
46 use of another account owner on such account, and a proportionate amount
47 of any charges deducted from such account, plus a proportionate amount
48 of any interest or dividends earned, whether or not included in the
49 current balance. Such term includes, to the extent permitted by applica-
50 ble law, any deposit of life insurance proceeds added to an account by
51 reason of the death of an account owner. Net contribution is relevant
52 only to the determination of ownership interests in non-survivorship
53 accounts pursuant to subdivision four of this section.

54 (i) "Non-survivorship account" means a personal account governed by
55 subdivision four of this section, created when two or more account
56 owners have designated, or are presumed pursuant to subdivision six of

1 this section to have designated, that the sums on deposit shall not pass
2 by right of survivorship upon the death of an account owner and shall
3 instead be disposed of as part of such account owner's estate.

4 (j) "Payment or transfer" means any withdrawal, disbursement, setoff,
5 debit, or other disposition of sums on deposit.

6 (k) "Personal account" means an account between one or more natural
7 persons and a depository institution established for personal or house-
8 hold use and shall not include: (i) an account established for a part-
9 nership, joint venture, or other organization for a business purpose;
10 (ii) an account controlled by one or more persons in an agency capacity
11 or as a trustee for a corporation, unincorporated association, or chari-
12 table or civic organization; or (iii) a fiduciary or trust account in
13 which the fiduciary relationship is established other than by the
14 account agreement.

15 (l) "Personal representative" means a personal representative as
16 defined by section 1-2.13 of the estates, powers, and trusts law.

17 (m) "Sums on deposit" means the balance payable on an account, includ-
18 ing interest and dividends earned, whether or not included in the
19 current balance, and to the extent permitted by applicable law, any
20 deposit of life insurance proceeds added to the account by reason of the
21 death of an account owner.

22 (n) "Survivorship designation" means a provision governing the dispo-
23 sition of the sums on deposit upon the death of an account owner in
24 substantially the following form:

25 "All account owners must agree to the same choice below.

26 If an account owner dies, what happens to their share of the money in
27 this account (select one):

28 _____ The deceased account owner's share becomes part of their estate.

29 _____ The deceased account owner's share goes to the surviving account
30 owner or owners on this account, in equal shares."

31 2. Account agreement; payment during lifetime; liability. (a) When a
32 deposit of cash, securities or other property is made in or with any
33 depository institution in a personal account, established in the name of
34 more than one person or modified by adding or removing an account owner
35 or convenience signer after the effective date of this section, such
36 depository institution shall establish an account agreement, which shall
37 include, at minimum, a survivorship designation and a convenience signer
38 designation.

39 (b) A depository institution shall execute and maintain an account
40 agreement required by this section for as long as such account remains
41 open and for a period of six years after it is closed.

42 (c) During the lifetime of all account owners, ownership interests in
43 the sums on deposit shall be governed by the account agreement.

44 (d) Upon the death of an account owner during the lifetime of another
45 account owner on the account, the depository institution shall dispose
46 of the sums on deposit pursuant to the account agreement.

47 (e) The survivorship designation and convenience signer designation
48 shall constitute a single, uniform designation applicable to all account
49 owners, and shall be executed by each such account owner.

50 (f) Payment or transfer by a depository institution to any account
51 owner or convenience signer named on a joint account or non-survivorship
52 account pursuant to the account agreement shall discharge such deposito-
53 ry institution from liability to the extent of such payment or transfer;
54 provided, however, that a depository institution that fails to properly
55 establish or maintain the account agreement, including by omitting or
56 failing to properly execute or maintain the survivorship designation or

1 convenience signer designation as required by this section, shall not be
2 discharged of liability to the extent of such payment or transfer.

3 (g) Nothing in this section shall be construed to require a depository
4 institution to investigate or verify an account owner's intent beyond
5 the face of the account agreement, or to require any officer, employee,
6 or agent thereof to provide legal, tax, or estate planning advice to an
7 account owner or any other person.

8 (h) No officer, employee, or agent of a depository institution shall
9 be personally liable for any act or omission taken in good faith and in
10 the ordinary course of such person's duties in connection with the
11 establishment, explanation, maintenance, or implementation of an account
12 agreement under this section, including with respect to the execution or
13 maintenance of an account agreement, provided that such officer, employ-
14 ee, or agent did not engage in willful misconduct.

15 (i) Failure to properly establish, execute, or maintain an account
16 agreement pursuant to this section shall constitute a violation of this
17 article and may be subject to civil penalties, corrective action, or
18 other enforcement measures imposed by the superintendent.

19 3. Notice; competing claims; court orders. (a) Payment or transfer
20 made pursuant to the account agreement shall discharge a depository
21 institution of liability to the extent of such payment or transfer,
22 whether or not such payment or transfer is consistent with the ownership
23 interests in the sums on deposit as between account owners or any other
24 persons claiming an interest therein, unless and until such depository
25 institution receives:

26 (i) written notice from an account owner or from the personal repre-
27 sentative of a deceased account owner's estate directing that payment or
28 transfer pursuant to the account agreement should not be permitted, and
29 the depository institution has had a reasonable opportunity to act on
30 such notice; or

31 (ii) service of a restraining order, injunction, or other appropriate
32 process issued by a court of competent jurisdiction prohibiting payment
33 or transfer.

34 (b) Upon receipt of written notice or service of process pursuant to
35 this subdivision, a depository institution may in good faith refuse,
36 without liability, to make further payment or transfer pursuant to the
37 account agreement and may require the acknowledgment or consent of all
38 account owners on the account as a condition of making any subsequent
39 payment or transfer.

40 (c) Except as provided in this section or by other applicable law, no
41 other information or communication available to a depository institution
42 shall affect its right to protection under this section.

43 (d) Nothing in this section shall be construed to require a depository
44 institution to determine the validity or priority of claims to the sums
45 on deposit.

46 (e) Protection of a depository institution under this section shall
47 not affect the rights of account owners or other persons to resolve
48 disputes between themselves, including disputes concerning the ownership
49 or payment or transfer of the sums on deposit.

50 (f) Nothing in this section shall be construed to alter, limit, or
51 impair any right or remedy that an account owner or other person may
52 have against another account owner or other person with respect to the
53 sums on deposit or any payment or transfer made from an account.

54 (g) Nothing in this section shall be construed to validate or author-
55 ize any payment or transfer that is otherwise unlawful, or to limit or
56 impair any remedy available under law with respect to a payment or

1 transfer resulting from fraud, undue influence, elder abuse, or lack of
2 authority.

3 4. Non-survivorship accounts. (a) Where the account owners have desig-
4 ated, or it is presumed pursuant to subdivision six of this section,
5 that the sums on deposit shall be disposed of as part of an account
6 owner's estate upon death, the account is a non-survivorship account,
7 and title to an account owner's net contribution to the sums on deposit
8 shall remain solely in such account owner during life and shall be
9 disposed of as part of such account owner's estate upon death.

10 (b) (i) Upon receipt of written notice of an account owner's death,
11 and prior to receipt of written notice from an account owner or the
12 personal representative of a deceased account owner stating that payment
13 or transfer pursuant to the account agreement shall not be permitted, or
14 service upon a depository institution of a restraining order, injunc-
15 tion, or other appropriate process issued by a court of competent juris-
16 isdiction prohibiting payment, payment or transfer made to a personal
17 representative of an account owner's estate pursuant to the account
18 agreement shall discharge such depository institution from liability to
19 the extent of such payment or transfer.

20 (ii) Any payment or transfer made by a surviving account owner after
21 the death of another account owner shall be subject to the rights of
22 such deceased account owner's estate, and nothing in this section shall
23 be construed to confer upon a surviving account owner any ownership
24 interest in a deceased account owner's net contribution to the sums on
25 deposit in a non-survivorship account, except as otherwise provided by
26 law.

27 5. Joint accounts. (a) Where all account owners have designated, or it
28 is presumed pursuant to subdivision six of this section, that the sums
29 on deposit shall pass to the other account owner or owners by right of
30 survivorship, the account shall be a joint account, and such account
31 owners' title to the sums on deposit shall be a joint tenancy with the
32 right of survivorship.

33 (b) (i) Title to the sums on deposit after the death of an account
34 owner shall be in the surviving account owner or owners in equal shares,
35 regardless of the source of the property on deposit or when such proper-
36 ty was deposited, and payment or transfer to the other surviving account
37 owner or owners of any or all of the sums on deposit shall discharge the
38 depository institution from liability to the extent of such payment or
39 transfer.

40 (ii) Any payment or transfer in a joint account made by a surviving
41 account owner after the death of another account owner shall not be
42 subject to the rights of such deceased account owner's estate, and noth-
43 ing in this section shall be construed to limit or impair a surviving
44 account owner's ownership interest in the sums on deposit arising by
45 right of survivorship in a joint account, except as otherwise provided
46 by law.

47 (c) A transfer resulting from the application of this section shall be
48 effective by reason of the account agreement and by operation of law
49 pursuant to this section and shall not be testamentary or subject to
50 estate administration.

51 6. Presumptions. If an account agreement does not include a properly
52 executed survivorship designation as required by this section, or if
53 such survivorship designation is not maintained in accordance with this
54 section or contains conflicting or incomplete provisions, the account
55 shall be presumed to be a non-survivorship account, unless clear and
56 convincing evidence establishes that the account owners intended to

1 create a right of survivorship; provided, however, that if the only
2 account owners on such account are spouses, the account shall be
3 presumed to be a joint account, unless clear and convincing evidence
4 establishes a contrary intent.

5 7. Regulations of the superintendent. The superintendent shall promul-
6 gate, and may from time to time amend, rules and regulations as neces-
7 sary to implement this section, including rules requiring that account
8 owners of joint accounts and non-survivorship accounts be provided with
9 clear information regarding the terms and conditions of such accounts,
10 the legal relationship among account owners and the role of the deposi-
11 tory institution with respect to such accounts.

12 8. Severability. If any clause, sentence, paragraph or subdivision of
13 this section shall be adjudged by any court of competent jurisdiction to
14 be invalid, such judgment shall not affect, impair, or invalidate the
15 remainder thereof, but shall be confined in its operation to the clause,
16 sentence, paragraph or subdivision thereof directly involved in the
17 controversy in which such judgment shall have been rendered. It is here-
18 by declared to be the intent of the legislature that this section would
19 have been enacted even if such invalid provisions had not been included
20 herein.

21 § 4. The superintendent of financial services shall promulgate rules
22 and regulations necessary to implement the provisions of sections one,
23 two and three of this act no later than one year after this section
24 shall have become a law.

25 § 5. This act shall take effect immediately; provided, however, that:

26 (a) sections one, two and three of this act shall take effect on the
27 one hundred eightieth day after the superintendent of financial services
28 has promulgated the rules and regulations required under section four of
29 this act;

30 (b) the superintendent of financial services shall notify the legisla-
31 tive bill drafting commission upon the occurrence of the promulgation of
32 the rules and regulations provided for in section four of this act in
33 order that the commission may maintain an accurate and timely effective
34 data base of the official text of the laws of the state of New York in
35 furtherance of effectuating the provisions of section 44 of the legisla-
36 tive law and section 70-b of the public officers law; and

37 (c) effective immediately, the addition, amendment and/or repeal of
38 any rule or regulation necessary for the implementation of sections one,
39 two and three of this act on their effective date are authorized to be
40 made and completed on or before such effective date.