STATE OF NEW YORK

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2025-2026 Regular Sessions

IN ASSEMBLY

May 20, 2025

Introduced by M. of A. LAVINE, TAYLOR -- 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 -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to the establishment and administration of joint 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 not apply to accounts established primarily for personal, household or family purposes after the effective date of section six hundred seventy-five-a of this article or modified on or after such effective date by the addition of another person; provided, however, that the designation or revocation of authority under a power of attorney shall not be deemed a modification for purposes of this subdivision.

§ 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 not apply to accounts established primarily for personal, household or family purposes after the effective date of section six hundred seventy-five-a of this article or modified on or after such effective date by the addition of another person; provided, however, that the designation or revocation of authority under a power of attorney shall not be deemed a modification 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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§ 3. The banking law is amended by adding a new section 675-a to read as follows:

§ 675-a. Accounts involving multiple persons. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Account" means a consumer transaction account between one or more account owners and a state depository institution or other financial institution, pursuant to which funds or other property are deposited or held.

(b) "Account agreement" means a record, including any contract, signature card, convenience signer designation, joint account attestation, or other document, that establishes or governs the terms and conditions of an account.

(c) "Account owner" means a natural person who, pursuant to the account agreement, is identified as an account owner, and does not include a person authorized only to transact on the account as an agent or convenience signer.

(d) "Convenience signer" means a person designated by the account owner or owners in a convenience signer designation to transact on an account without any ownership interest or right of survivorship in such account, and who may only act on behalf of such account owner or owners.

(i) In addition to transacting on behalf of an account owner, a convenience signer may exercise authority with respect to an account as may be authorized by the account agreement and policies and procedures of a financial institution maintaining such account, including authority incidental to transacting on the account, provided that no such authority shall confer any ownership or beneficial interest in the sums on deposit.

(ii) The authority of a person designated as an attorney-in-fact for an account owner under a power of attorney shall take precedence over and supersede the authority of a convenience signer; such attorney-in-fact shall have the authority to remove a convenience signer designation.

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

"The account owner or owners may choose to name one or more "convenience signers" to make transactions on their behalf.

A convenience signer:

1. May deposit or withdraw money for the benefit of an account owner;

2. Does not own the account or the money in the account;

3. Has no right to receive the money if an account owner dies; and

4. May be removed by an account owner at any time.

If you want to name one or more convenience signers, please list them here:"

(ii) A convenience signer designation shall constitute a single, uniform designation applicable to all account owners.

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

(g) "Joint account" means an account in the name of two or more account owners.

(h) "Net contribution" means the sum of the deposits made by or on behalf of an account owner to an account, less withdrawals made by or on behalf of such account owner that have not been paid to or applied for the benefit of another account owner from such account, and a proportionate amount of any charges deducted from such account, plus a proportionate amount of any interest or dividends earned, whether or not included in the current balance.

(i) "Payment or transfer" means any withdrawal, disbursement, debit, or other disposition of sums on deposit.

(j) "Personal use" means use by one or more natural persons primarily for personal, family or household purposes and shall not include: (i) use in connection with a partnership, joint venture, or other organization for a business purpose; (ii) use by one or more persons acting in an agency capacity or as a trustee for a corporation, unincorporated association, or charitable or civic organization; or (iii) use in connection with a fiduciary or trust relationship in which such fiduciary or trust relationship is established other than by the account agreement.

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

(l) "Sums on deposit" means the balance payable on an account, including interest and dividends earned but not yet credited to the account.

(m) "Joint account attestation" means a provision in an account agreement for a joint account whereby all account owners shall, by signature, acknowledge their rights to such joint account in substantially the following form:

"By signing below, we each confirm that we are joint owners of this account. We understand and agree to the following:

1. Any of us may withdraw or spend money from this account at any time, regardless of who deposited the money;

2. However, each of us generally owns the money we deposit into this account, minus the money we withdraw;

3. If one of us dies, the money in this account will pass to the surviving joint owner or owners; and

4. In a dispute about ownership of the money in this account, a court may consider this document as evidence of our intentions.

Name all joint owners:"

2. Account agreements; convenience signers; reliance; competing claims; liability. (a) After the effective date of this section, when a deposit of funds or other property is made in or with any state depository institution in an account for personal use, established in the name of one or more account owners, or modified by the addition of one or more account owners or convenience signers, such state depository institution shall establish an account agreement, which shall include, at minimum:

(i) a clear and conspicuous option for one or more account owners to designate a convenience signer in a convenience signer designation that shall be executed by each such account owner and acknowledged by each such convenience signer; and

(ii) where such account is established in the name of more than one account owner or modified by the addition of one or more account owners, a joint account attestation that shall be executed by each such account owner.

(b) An account agreement, including a convenience signer designation or joint account attestation, may be established electronically pursuant to regulations promulgated by the superintendent.

(c) A convenience signer designation may be revoked upon request by any account owner at any time.

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

(e) A state depository institution may rely in good faith on an account agreement, including the joint account attestation and convenience signer designation, and shall not be required to determine the net contributions or respective ownership interests of account owners in a joint account.

(f) Payment or transfer by a state depository institution to any account owner or convenience signer named on an account pursuant to an account agreement that complies with the requirements of this section shall discharge such state depository institution from liability to the extent of such payment or transfer, whether or not such payment or transfer is consistent with the ownership interests in the sums on deposit as between account owners or any other persons claiming an interest therein.

(g) Upon receipt of written notice from an account owner or from the personal representative of a deceased account owner's estate directing that payment or transfer shall not be permitted, or upon service of a restraining order, injunction, or other lawful order or process issued by a court or other authority of competent jurisdiction prohibiting payment or transfer, a state depository institution may, in good faith, refuse, without liability, to make any further payment or transfer from an account pending resolution of the dispute, order, or process.

(h) Nothing in this section shall be construed:

(i) to require a state depository institution to investigate or verify an account owner's intent beyond the face of the account agreement;

(ii) to require a state depository institution to determine the validity or priority of competing claims to the sums on deposit;

(iii) to require any officer, employee, or agent of a state depository institution to provide legal, tax, or estate planning advice to an account owner or any other person;

(iv) to alter, limit or impair the rights or remedies of account owners or other persons to resolve disputes between themselves, including disputes concerning the ownership of the sums on deposit or any payment or transfer made from an account, or any right or remedy that an account owner or other person may have against another account owner or other person with respect thereto;

(v) to alter, limit or impair the right of a state depository institution to exercise a lawful right of setoff; or

(vi) to validate or authorize any payment or transfer that is otherwise unlawful, or to alter, limit or impair any right or remedy available under law with respect to payment or transfer resulting from fraud, undue influence, elder abuse, or lack of authority.

(i) No officer, employee, or agent of a state depository institution shall be personally liable for any act or omission taken in good faith and in the ordinary course of such person's duties in connection with the establishment, execution, explanation, maintenance, or implementation of an account agreement pursuant to this section.

(j) A state depository institution that fails to make commercially reasonable efforts to establish, execute, or maintain an account agreement pursuant to this section shall be deemed to have violated this chapter and may be subject to civil penalties, corrective action, or other enforcement measures imposed by the superintendent.

3. Joint accounts and convenience signers. (a) This subdivision shall apply to accounts established for personal use on or after the effective date of this section or modified by the addition of an account owner or convenience signer on or after such effective date.

(b) Joint accounts and accounts with a single account owner may include one or more convenience signers, as designated by all account owners; provided however, any account owner may remove any convenience signer from an account at any time.

(c) The authority of a convenience signer shall, unless otherwise specified in an account agreement, be presumed to survive the disability or incapacity of an account owner.

(d) Death of the last surviving account owner shall terminate the authority of a convenience signer.

(e) During the lifetime of an account owner, ownership interests in the sums on deposit in a joint account shall be presumed to be according to such account owner's net contribution; provided however, as between married account owners, in the absence of proof otherwise, the net contribution of each is presumed to be an equal amount.

(f) The determination of ownership interests by net contribution shall be presumed to apply only during the lifetime of account owners and not affect the operation of survivorship upon the death of an account owner.

(g) No account owner shall be presumed to have made a present gift of sums on deposit to another account owner solely by reason of establishing, maintaining, or depositing funds into a joint account.

(h) The authority of an account owner to withdraw funds from a joint account shall not determine ownership interests in the sums on deposit, and any sums on deposit in a joint account may be paid or withdrawn, in whole or in part, by any account owner in accordance with the terms of the account agreement, without regard to the beneficial ownership of such sums on deposit as between the account owners.

(i) Upon the death of an account owner, the deceased account owner's interest in the sums on deposit in a joint account immediately prior to death shall be presumed to pass by right of survivorship and vest in the surviving account owner or owners, and shall not be presumed to become part of such deceased account owner's estate, except as otherwise provided by law.

(j) Title to the sums on deposit after the death of an account owner shall be presumed to vest in the surviving account owner or owners in equal shares, regardless of the source of the property on deposit or when such property was deposited, to the extent permitted by applicable law.

(k) Nothing in this subdivision shall be construed to alter, limit or impair the rights of a beneficiary to proceeds of a life insurance policy, annuity contract, retirement account, or other non-probate transfer payable to such beneficiary pursuant to applicable law and deposited into a joint account.

(l) Failure to maintain or produce an account agreement or joint account attestation shall not, by itself, defeat the right of survivorship where the account was established in the names of two or more account owners.

(m) Any payment or transfer in a joint account made by a surviving account owner after the death of another account owner shall not be subject to the rights of such deceased account owner's estate, and nothing in this section shall be construed to alter, limit or impair a surviving account owner's ownership interest in the sums on deposit

arising by right of survivorship in a joint account, except as otherwise provided by law.

(n) A transfer resulting from the application of this section shall be effective by operation of law and shall not be testamentary or subject to estate administration.

(o) The rules governing ownership and survivorship pursuant to this section may be rebutted only by clear and convincing evidence of a different intent.

4. Regulations of the superintendent. (a) The superintendent shall promulgate, and may from time to time amend, rules and regulations as necessary to implement this section, including rules and regulations requiring that account owners and convenience signers be provided with clear information regarding the terms and conditions of accounts, the legal relationship among account owners and convenience signers and the role of a state depository institution or other financial institution with respect to such accounts.

(b) Any rule or regulation promulgated pursuant to section six hundred seventy-five or six hundred seventy-eight of the banking law, as such sections existed immediately prior to the effective date of this section, shall continue in full force and effect with respect to accounts governed by such sections unless or until such accounts become subject to this section, and the superintendent may amend, repeal, or promulgate such rules and regulations as necessary for the continued administration of such accounts.

5. Federal preemption. This section shall not apply to the extent that it is preempted by federal law. Nothing in this section shall be construed to require any act prohibited, or prohibit any act required, by federal law.

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

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

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

(a) sections one, two and three of this act shall take effect on the earlier of:

(i) the one hundred eightieth day after the superintendent of financial services has promulgated the rules and regulations required under section four of this act; or

(ii) eighteen months after the effective date of this act;

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

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