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:

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 only to accounts established before the effective date of section six hundred seventy-five-a of this article and which have not been modified on or after such effective date by the addition or removal of an account owner or convenience signer as such terms are defined in section six hundred seventy-five-a of this article; 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 apply only to accounts established before the effective date of section six hundred seventy-five-a of this article and which have not been modified on or after such effective date by the addition or removal of an account owner or convenience signer as such terms are defined in section six hundred seventy-five-a of this article; 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. Joint accounts and non-survivorship accounts. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Account" means a relationship established pursuant to an account agreement between one or more account owners and a depository institution.

(b) "Account agreement" means a record, including any contract, signature card, 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, holds a present ownership interest in the sums on deposit, 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 survivorship rights, acting only on behalf of such account owner or owners. 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.

(e) "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 (but need not) designate one or more "convenience signers" to make transactions on their behalf. A convenience signer does not own the account and has no right to use the money for their own personal benefit.

Identify the convenience signer or signers

(optional): _____"

(f) "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" shall mean a personal account governed by subdivision five of this section, created when two or more account owners have designated, or are presumed pursuant to subdivision six of this section to have designated, that the sums on deposit shall pass by right of survivorship to the surviving account owner or owners upon the death of an account owner.

(h) "Net contribution" means the sum of the deposits made by or on behalf of an account owner on an account, less withdrawals made by or on behalf of such account owner which have not been paid or applied to the use of another account owner on 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. Such term includes, to the extent permitted by applicable law, any deposit of life insurance proceeds added to an account by reason of the death of an account owner. Net contribution is relevant only to the determination of ownership interests in non-survivorship accounts pursuant to subdivision four of this section.

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

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

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

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

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

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

(n) "Survivorship designation" means a provision governing the disposition of the sums on deposit upon the death of an account owner in substantially the following form:

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

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

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

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

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

(b) A depository institution shall execute and 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.

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

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

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

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

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

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

(h) No officer, employee, or agent of a 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, explanation, maintenance, or implementation of an account agreement under this section, including with respect to the execution or maintenance of an account agreement, provided that such officer, employee, or agent did not engage in willful misconduct.

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

3. Notice; competing claims; court orders. (a) Payment or transfer made pursuant to the account agreement shall discharge a depository institution of 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, unless and until such depository institution receives:

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

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

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

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

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

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

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

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

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

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

(b) (i) Upon receipt of written notice of an account owner's death, and prior to receipt of written notice from an account owner or the personal representative of a deceased account owner stating that payment or transfer pursuant to the account agreement shall not be permitted, or service upon a depository institution of a restraining order, injunction, or other appropriate process issued by a court of competent jurisdiction prohibiting payment, payment or transfer made to a personal representative of an account owner's estate pursuant to the account agreement shall discharge such depository institution from liability to the extent of such payment or transfer.

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

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

(b) (i) Title to the sums on deposit after the death of an account owner shall be 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, and payment or transfer to the other surviving account owner or owners of any or all of the sums on deposit shall discharge the depository institution from liability to the extent of such payment or transfer.

(ii) 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 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.

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

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

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

7. Regulations of the superintendent. The superintendent shall promulgate, and may from time to time amend, rules and regulations as necessary to implement this section, including rules requiring that account owners of joint accounts and non-survivorship accounts be provided with clear information regarding the terms and conditions of such accounts, the legal relationship among account owners and the role of the depository institution with respect to such accounts.

8. 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 one hundred eightieth day after the superintendent of financial services has promulgated the rules and regulations required under section four 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.