

STATE OF NEW YORK

8649

IN SENATE

January 7, 2026

Introduced by Sen. SANDERS -- 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 multiple-person accounts; and to repeal certain provisions of such law relating thereto

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) This section shall not apply to accounts established after July
4 first, two thousand twenty-six in New York state for personal use.

5 § 2. Section 678 of the banking law is REPEALED and a new section 678
6 is added to read as follows:

7 § 678. Multiple-person accounts; personal account ownership and
8 payment. 1. Definitions. Notwithstanding any other provisions of law,
9 for the purposes of this section:

10 (a) "Account" means a contract of deposit between one or more account
11 owners and a bank.

12 (b) "Administer" means, in connection with the account signature card,
13 a bank offering the account signature card to one or more account owners
14 upon establishing or changing the terms of a single-owner or multiple-
15 person account and providing information to help such account owner or
16 owners to understand and complete such account signature card; provided
17 however, that nothing in this section shall be construed to require bank
18 personnel to provide legal or estate planning advice to an account owner
19 or owners pursuant to this section.

20 (c) "Account owner" means a person who, by the terms of an account,
21 has a present right, subject to request, to payment from the account
22 other than an authorized signer.

23 (d) "Account signature card" means the following contract of deposit
24 establishing the terms of a single-owner or multiple-person account in
25 the following form, or a substantially equivalent form in the account
26 owner's primary language, in fourteen-point type, published by the
27 department of financial services, whether in physical or electronic
28 written form:

ACCOUNT SIGNATURE CARD

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

LBD09468-01-5

THIS IS AN IMPORTANT LEGAL DOCUMENT. THE SELECTIONS BELOW WILL DETERMINE WHO OWNS THE FUNDS IN THIS ACCOUNT AND HOW SUCH FUNDS WILL PASS UPON THE DEATH OF AN ACCOUNT OWNER. YOU MAY WISH TO CONSULT AN ATTORNEY.

I. ACCOUNT OWNER(S). Identify the account owner or owners.

Each account owner's share of the account funds is equal to their deposits minus their withdrawals. The bank is not responsible for determining shares and may pay funds to any identified account owner.

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II. AUTHORIZED SIGNER(S). Identify the authorized signer or signers (optional).

The account owner or owners may (but need not) designate one or more "authorized signers" to make account transactions for their convenience. An authorized signer has no right to take possession of account funds or use such funds for personal benefit. While any account owner lives, the bank may pay funds to any identified authorized signer.

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III. DISPOSITION OF ACCOUNT WITH MULTIPLE OWNERS UPON DEATH.

Only answer the following question if the account has more than one owner. Should a deceased account owner's share of the account funds pass to the other surviving account owner or owners?

NO. A deceased account owner's share of the account funds should be disposed of as part of such owner's estate.

YES. A deceased account owner's share of the account funds should pass to the surviving account owner or owners.

Signature Block and Notarization

Account owner(s) and authorized signer(s) MUST SIGN AND DATE BELOW. Any signature below must be acknowledged before a notary public to ensure its validity if this signature card has not been administered by a bank.

By signing below, I acknowledge that I have reviewed each section of this form and understand the ownership rights associated with the account selections above. I have marked the type of account I want.

Account Owner Signature _____ Date _____

1 By signing below, I acknowledge that I have reviewed each section of
2 this form and understand the ownership rights associated with the
3 account selections above. As an authorized signer, I understand that I
4 do not own the funds in this account and have no right to use such funds
5 for my personal benefit or to take possession of such funds upon an
6 account owner's death.

7 Authorized Signer(s) Signature Date

8 (e) "Authorized signer" means a person authorized to make account
9 transactions for the convenience of an account owner but who does not
10 own the account and has no beneficial right to sums on deposit.

11 (f) "Authorized signer designation" means the designation of an
12 authorized signer in an account payable on request to one or more
13 account owners.

14 (g) "Contract of deposit" means a written document establishing the
15 terms of an account between a bank and one or more account owners.

16 (h) "Distributee" means a distributee as defined in section 1-2.5 of
17 the estates, powers and trusts law.

18 (i) "Bank" shall mean a bank as defined in section two of this chap-
19 ter, credit union, savings bank, private banker, savings and loan asso-
20 ciation, foreign banking corporation licensed by the superintendent, and
21 interstate branch established pursuant to article five-C of this chap-
22 ter.

23 (j) "Multiple-owner account" means an account payable on request to
24 two or more account owners.

25 (k) "Multiple-person account" means (1) any multiple-owner account or
26 (2) a single-owner account with an authorized signer designation.

27 (l) "Net contribution" means the sum of deposits made by or on behalf
28 of an account owner less withdrawals made by or on behalf of such
29 account owner which have not been paid to or applied to the use of
30 another account owner and a proportionate share of any charges deducted
31 from the account, plus a proportionate share of any interest or divi-
32 dends earned, whether or not included in the current balance. Such term
33 includes any deposit of life insurance proceeds added to the account by
34 reason of death of the account owner whose net contribution is in ques-
35 tion.

36 (m) "Payment of sums on deposit" or "payment" means withdrawal or
37 payment to an account owner, authorized signer or third person author-
38 ized by the account owner to make transactions pursuant to request.

39 (n) "Person" means an individual, a corporation, organization, or
40 other legal entity.

41 (o) "Personal representative" means a personal representative as
42 defined in section 1-2.13 of the estates, powers and trusts law.

43 (p) "Receive", as it relates to notice to a bank, means receipt in the
44 office or branch office of the bank in which the account is established.

45 (q) "Request" means a request for payment complying with all terms of
46 the account and account signature card, including special requirements
47 concerning necessary signatures and regulation of the bank.

48 (r) "Single-owner account" means an account payable on request to one
49 account owner.

50 (s) "Sums on deposit" means the balance payable on the account,
51 including interest and dividends earned, whether or not included in the
52 current balance and any deposit of life insurance proceeds added to the
53 account by reason of death of an account owner.

1 (t) "Terms of the account" means the contract of deposit, including
2 the account signature card, and any other terms and conditions of the
3 deposit agreement.

4 (u) "Testamentary beneficiary" means a testamentary beneficiary as
5 defined in section 1-2.18 of the estates, powers and trusts law.

6 2. Scope of section. (a) This section shall apply to multiple-person
7 and single-owner accounts established in New York state for personal
8 use.

9 (b) This section shall not apply to:

10 (i) An account established for a partnership, joint venture, or other
11 organization for a business purpose;

12 (ii) An account controlled by one or more persons as an agent or trustee
13 for a corporation, unincorporated association, or charitable or
14 civic organization; or

15 (iii) A fiduciary or trust account in which the relationship is estab-
16 lished other than by the terms of the account.

17 3. Types of accounts. (a) A bank may enter a contract of deposit to
18 establish a single-owner account or a multiple-owner account and may
19 provide for one or more authorized signer designations in each type of
20 account. A multiple-owner account may be with or without a right of
21 survivorship between the other account owners.

22 (b) An account established after the effective date of this section
23 shall be considered either a single-owner account or a multiple-owner
24 account, with or without the right of survivorship, and with or without
25 one or more authorized signer designations.

26 4. Administration of account signature card. (a) The account signature
27 card shall establish the type of account provided, and such accounts
28 shall be governed by the provisions of this section applicable to such
29 account type.

30 (b) The account signature card shall be administered by the bank upon
31 the establishment of an account and thereafter if the account owner or
32 owners change the terms of such account.

33 (c) All account owners on a multiple-owner account must agree in writ-
34 ing to any change in the terms of an account relating to account owner-
35 ship, survivorship rights, and authorized signers designations using the
36 account signature card.

37 (d) The account signature card shall be signed and acknowledged before
38 a notary public unless administered by a bank or filed electronically
39 pursuant to section one hundred thirty-five-c of the executive law and
40 article three of the state technology law and shall comply with other
41 state laws and regulations.

42 (e) Each bank subject to this section shall maintain the account
43 signature card for each account as long as such account remains open and
44 for a period of no less than six years after it is closed.

45 5. Designation of authorized signer. (a) The account owner or owners
46 may use the account signature card to designate a person or persons
47 other than an account owner as an authorized signer.

48 (b) In a multiple-owner account, all account owners must consent to
49 any authorized signer designation in writing using the account signature
50 card.

51 (c) Unless the terms of an authorized signer designation provide that
52 the authority of an authorized signer terminates on disability or inca-
53 capacity of an account owner, such authorized signer's authority shall
54 survive disability and incapacity.

55 (d) Death of the sole account owner or last surviving account owner
56 shall terminate the authority of an authorized signer.

1 (e) The authority of a person designated as an attorney-in-fact for an
2 account owner under a power of attorney shall take precedence over and
3 supersede the authority of an authorized signer.

4 6. Account ownership during lifetime. (a) In a multiple-owner account,
5 during the lifetimes of all account owners, an account belongs to the
6 account owners in proportion to the net contribution of each to the sums
7 on deposit, unless there is clear and convincing evidence of a different
8 intent. In the absence of proof otherwise, the net contribution of each
9 is presumed to be an equal amount.

10 (b) An authorized signer shall have no beneficial right to sums on
11 deposit.

12 7. Rights at death. (a) Rights at death of an account owner are
13 determined by the terms of the account at the time of such account
14 owner's death.

15 (b) A transfer resulting from the application of this section shall be
16 effective by reason of the terms of the account involved and this
17 section and is not testamentary or subject to estate administration.

18 (c) Unless all the account owners have indicated a preference for the
19 right of survivorship on the account signature card, or there is clear
20 and convincing evidence of a different intent, upon the death of an
21 account owner, sums on deposit in a multiple-owner account shall be
22 disposed of as part of the estate of such deceased account owner.

23 (d) If two or more account owners survive, and all account owners have
24 indicated a preference for the right of survivorship on the account
25 signature card, unless there is clear and convincing evidence of a
26 different intent, the amount to which the decedent, immediately before
27 death, was beneficially entitled, pursuant to subdivision six of this
28 section, shall belong to the surviving account owners in equal shares,
29 and augments the proportion to which each survivor, immediately before
30 the decedent's death, was beneficially entitled to pursuant to such
31 subdivision, and the right of survivorship continues between the surviv-
32 ing account owners.

33 (e) Sums on deposit in a single-owner account or a multiple-owner
34 account that, by the terms of the account, is without right of survivor-
35 ship, are not affected by the death of an account owner, but the amount
36 to which the decedent, immediately before death, was beneficially enti-
37 tled, pursuant to subdivision six of this section, is transferred as
38 part of the decedent's estate.

39 (f) The ownership rights of a surviving account owner, or of the
40 decedent's estate, in sums on deposit is subject to request for payment
41 made by an account owner before the account owner's death, whether paid
42 by the bank before or after death, or unpaid, the surviving account
43 owner or the decedent's estate, is liable to the payee of an unpaid
44 request for payment. The liability is limited to a proportionate share
45 of the amount transferred under this section, to the extent necessary to
46 discharge the request for payment.

47 8. Alteration of rights. (a) An account owner may alter the terms of
48 the account by completing a new account signature card for such account
49 and submitting it to the bank. To be effective, all account owners must
50 consent to the alteration in writing using the account signature card,
51 and the notice must be received by the bank during an account owner's
52 lifetime.

53 (b) A right of survivorship arising from the express terms of the
54 account established pursuant to subdivision seven of this section may
55 not be altered by will.

1 9. Payment on multiple-owner accounts. A bank, on request, may pay
2 sums on deposit in a multiple-owner account to:

3 (a) one or more of the account owners, whether or not another account
4 owner is disabled, incapacitated, or deceased when payment is requested
5 and whether or not the account owner making the request survives another
6 account owner; or

7 (b) the personal representative of an account owner who is deceased,
8 or if there is none, pursuant to the provisions of article thirteen of
9 the surrogate's court procedure act to the extent applicable, provided
10 that in either case proof of death is presented to the bank showing that
11 such deceased account owner was the survivor of all other account owners
12 named on the account, unless the account is without right of survivor-
13 ship pursuant to subdivision seven of this section.

14 10. (a) Payment to authorized signer. A bank, on request, may pay sums
15 on deposit in an account with an authorized signer designation to such
16 authorized signer whether or not an account owner is disabled, incapac-
17 itated, or deceased when the request is made or received, and whether or
18 not the authority of the authorized signer terminates on the disability
19 or incapacity of an account owner.

20 (b) Nothing contained herein shall be construed to conflict with
21 federal or state laws or regulations requiring banks to report fraudu-
22 lent or suspicious activity, or release banks from liability for the
23 failure to comply with such state or federal laws and regulations.

24 11. Discharge of bank from liability. (a) Payment made pursuant to
25 this section in accordance with the terms of the account and complying
26 with the account signature card discharges the bank from all claims for
27 amounts so paid, whether or not the payment is consistent with the bene-
28 ficial account ownership of the account as between account owners or
29 their successors. Payment may be made whether or not an account owner
30 or authorized signer is disabled, incapacitated, or deceased when
31 payment is requested, received, or made.

32 (b) Protection under this section does not extend to payments made
33 after a bank has received written notice from an account owner, or from
34 the personal representative, surviving spouse, distributee, or testamen-
35 tary beneficiary of a deceased account owner, to the effect that
36 payments in accordance with the terms of the account, including one
37 having an authorized signer designation, should not be permitted, and
38 the bank has had a reasonable opportunity to act on it when the payment
39 is made. Unless the notice is withdrawn by the person giving it, the
40 successor of any deceased account owner must concur in a request for
41 payment if the bank is to be protected under this section. Unless a bank
42 has been served with process in an action or proceeding, no other notice
43 or other information shown to have been available to the bank affects
44 its right to protection under this section.

45 (c) A bank that receives written notice pursuant to this section or
46 otherwise has reason to believe that a dispute exists as to the rights
47 of the account owners may refuse, without liability, to make payments in
48 accordance with the terms of the account. A bank need not inquire as to
49 the source of a deposit to an account or as to the proposed application
50 of a payment from an account.

51 (d) Protection of a bank under this section does not affect the rights
52 of account owners in disputes between themselves or their successors
53 concerning the ownership of sums on deposit in accounts or payments made
54 from accounts.

55 (e) Beneficial account ownership between account owners apply only to
56 controversies between those persons and their creditors and other

1 successors, and do not apply the right of those persons to payment as
2 determined by the terms of the account.

3 12. Existing accounts. (a) Each bank shall, for each multiple-person
4 account established before the effective date of this section, provide
5 notice to the account owners of such accounts of the requirement to
6 submit an account signature card. Each bank shall provide such notice
7 within six months of the effective date of this section, and such notice
8 shall include the account signature card.

9 (b) Such notice may be executed by mail or, if authorized by the
10 account owner or owners, electronically, and may be combined with other
11 notices or mailings. If the bank has not received an account signature
12 card from an account owner within six months of providing the first
13 notice pursuant to this section, the bank shall provide a second notice.

14 (c) Accounts established in New York state for personal use prior to
15 July first, two thousand twenty-six, for which an account signature card
16 has not been properly received pursuant to this section, shall be
17 governed by section six hundred seventy-five of this article until such
18 time an account signature card is properly received for such account
19 pursuant to this section.

20 13. Regulations of the superintendent. The superintendent shall
21 promulgate and may from time to time amend rules and regulations which
22 require that the account owner or owners of a multiple-person account
23 under this section be informed of the terms and conditions of the
24 account, including the relationship and consequences between the persons
25 associated with the account, the differences between account types, and
26 the responsibilities of the institution with which the account is estab-
27 lished.

28 14. Severability clause. If any provision of this section or its
29 application to any person or circumstance is held invalid, the invalidi-
30 ty does not affect other provisions or application of this section which
31 can be given effect without the invalid provision or application, and
32 to this end the provisions of this section are severable.

33 § 3. Section 679 of the banking law, as added by chapter 432 of the
34 laws of 2018, is amended to read as follows:

35 § 679. Public awareness; banking services. The superintendent shall
36 conduct a public awareness campaign to educate consumers on different
37 banking services available in the state, particularly those that can
38 assist vulnerable adults in financial planning, including, but not
39 limited to, citizens of an advanced age, individuals with cognitive or
40 developmental disabilities, or those who have health or physical issues
41 that impair their financial independence. The public awareness campaign
42 shall include information regarding the differences between types of
43 accounts, including joint and [convenience] multiple-person accounts, as
44 well as the rights and responsibilities generally recognized for each.
45 The public awareness campaign shall also include, but not be limited to,
46 answers to general concerns and questions that individuals may have with
47 respect to the establishment of certain types of accounts and services,
48 as well as information and recommendations for obtaining more informa-
49 tion.

50 § 4. This act shall take effect July 1, 2026. Effective immediately,
51 the addition, amendment and/or repeal of any rule or regulation neces-
52 sary for the implementation of this act on its effective date are
53 authorized to be made and completed on or before such effective date.