

AN ACT

relating to certain account disclosures provided by a financial institution to a customer.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 113.052, Estates Code, is amended to read as follows:

Sec. 113.052. FORM. A financial institution may use the following form to establish the type of account selected by a party:

UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT SELECTION FORM NOTICE: The type of account you select may determine how property passes on your death. Your will may not control the disposition of funds held in some of the following accounts. You may choose to designate one or more convenience signers on an account, even if the account is not a convenience account. A designated convenience signer may make transactions on your behalf during your lifetime, but does not own the account during your lifetime. The designated convenience signer owns the account on your death only if the convenience signer is also designated as a P.O.D. payee or trust account beneficiary.

Select one of the following accounts by placing your initials next to the account selected:

\_\_\_ (1) SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON DEATH) DESIGNATION. The party to the account owns the account. On the death of the party, ownership of the account passes as a part of

1 the party's estate under the party's will or by intestacy.

2 Enter the name of the party:

3 \_\_\_\_\_

4 Enter the name(s) of the convenience signer(s), if you want  
5 one or more convenience signers on this account:

6 \_\_\_\_\_

7 \_\_\_\_\_

8 \_\_\_\_ (2) SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON  
9 DEATH) DESIGNATION. The party to the account owns the account. On  
10 the death of the party, ownership of the account passes to the  
11 P.O.D. beneficiaries of the account. The account is not a part of  
12 the party's estate.

13 Enter the name of the party:

14 \_\_\_\_\_

15 Enter the name or names of the P.O.D. beneficiaries:

16 \_\_\_\_\_

17 \_\_\_\_\_

18 Enter the name(s) of the convenience signer(s), if you want  
19 one or more convenience signers on this account:

20 \_\_\_\_\_

21 \_\_\_\_\_

22 \_\_\_\_ (3) MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF  
23 SURVIVORSHIP. The parties to the account own the account in  
24 proportion to the parties' net contributions to the account. The  
25 financial institution may pay any sum in the account to a party at  
26 any time. On the death of a party, the party's ownership of the  
27 account passes as a part of the party's estate under the party's

1 will or by intestacy.

2 Enter the names of the parties:

3 \_\_\_\_\_  
4 \_\_\_\_\_  
5 \_\_\_\_\_

6 Enter the name(s) of the convenience signer(s), if you want  
7 one or more convenience signers on this account:

8 \_\_\_\_\_  
9 \_\_\_\_\_

10 \_\_\_\_ (4) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP.

11 The parties to the account own the account in proportion to the  
12 parties' net contributions to the account. The financial  
13 institution may pay any sum in the account to a party at any time.  
14 On the death of a party, the party's ownership of the account passes  
15 to the surviving parties.

16 Enter the names of the parties:

17 \_\_\_\_\_  
18 \_\_\_\_\_

19 Enter the name(s) of the convenience signer(s), if you want  
20 one or more convenience signers on this account:

21 \_\_\_\_\_  
22 \_\_\_\_\_

23 \_\_\_\_ (5) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP

24 AND P.O.D. (PAYABLE ON DEATH) DESIGNATION. The parties to the  
25 account own the account in proportion to the parties' net  
26 contributions to the account. The financial institution may pay  
27 any sum in the account to a party at any time. On the death of the

1 last surviving party, the ownership of the account passes to the  
2 P.O.D. beneficiaries.

3 Enter the names of the parties:

4 \_\_\_\_\_  
5 \_\_\_\_\_

6 Enter the name or names of the P.O.D. beneficiaries:

7 \_\_\_\_\_  
8 \_\_\_\_\_

9 Enter the name(s) of the convenience signer(s), if you want  
10 one or more convenience signers on this account:

11 \_\_\_\_\_  
12 \_\_\_\_\_

13 \_\_\_\_ (6) CONVENIENCE ACCOUNT. The parties to the account own  
14 the account. One or more convenience signers to the account may  
15 make account transactions for a party. A convenience signer does  
16 not own the account. On the death of the last surviving party,  
17 ownership of the account passes as a part of the last surviving  
18 party's estate under the last surviving party's will or by  
19 intestacy. The financial institution may pay funds in the account  
20 to a convenience signer before the financial institution receives  
21 notice of the death of the last surviving party. The payment to a  
22 convenience signer does not affect the parties' ownership of the  
23 account.

24 Enter the names of the parties:

25 \_\_\_\_\_  
26 \_\_\_\_\_

27 Enter the name(s) of the convenience signer(s):

1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_ (7) TRUST ACCOUNT. The parties named as trustees to the  
 4 account own the account in proportion to the parties' net  
 5 contributions to the account. A trustee may withdraw funds from the  
 6 account. A beneficiary may not withdraw funds from the account  
 7 before all trustees are deceased. On the death of the last  
 8 surviving trustee, the ownership of the account passes to the  
 9 beneficiary. The trust account is not a part of a trustee's estate  
 10 and does not pass under the trustee's will or by intestacy, unless  
 11 the trustee survives all of the beneficiaries and all other  
 12 trustees.

13 Enter the name or names of the trustees:  
 14 \_\_\_\_\_  
 15 \_\_\_\_\_

16 Enter the name or names of the beneficiaries:  
 17 \_\_\_\_\_  
 18 \_\_\_\_\_

19 Enter the name(s) of the convenience signer(s), if you want  
 20 one or more convenience signers on this account:  
 21 \_\_\_\_\_  
 22 \_\_\_\_\_

23 ACKNOWLEDGMENT: I acknowledge that I have read each  
 24 paragraph of this form and have received disclosure of the  
 25 ownership rights to the accounts listed above. I have placed my  
 26 initials next to the type of account I want.

27 \_\_\_\_\_

1           Signature

2           SECTION 2. Section 113.053, Estates Code, is amended to  
3 read as follows:

4           Sec. 113.053. REQUIRED DISCLOSURE; USE OF FORM.

5 (a) Except as provided by Subsection (d), a [A] financial  
6 institution shall disclose the information provided in this  
7 subchapter to a customer before [~~at the time~~] the customer selects  
8 or modifies an account.

9           (a-1) A financial institution is considered to have  
10 disclosed the information provided in this subchapter if:

11           (1) the financial institution uses the form provided  
12 by Section 113.052; and

13           (2) the customer signs the acknowledgment provided at  
14 the end [~~places the customer's initials to the right of each~~  
15 ~~paragraph~~] of the form.

16           (b) If a financial institution varies the format of the form  
17 provided by Section 113.052, the financial institution shall  
18 disclose [~~may make disclosures in the account agreement or in any~~  
19 ~~other form that discloses~~] the information provided by this  
20 subchapter [~~. Disclosures under this subsection must:~~

21           [~~(1) be given~~] separately from other account  
22 information except that the financial institution may disclose that  
23 information as part of other account documentation if the  
24 disclosures are the first items of the documentation [~~,~~

25           [~~(2) be provided before account selection or~~  
26 ~~modification,~~

27           [~~(3) be printed in 14-point boldfaced type, and~~

1           ~~[(4) if the discussions that precede the account~~  
2 ~~opening or modification are conducted primarily in a language other~~  
3 ~~than English, be in that language].~~

4           (c) The financial institution shall notify the customer of  
5 the type of account the customer selected. This requirement is  
6 satisfied by providing the customer with a copy of the account  
7 opening or modification documentation, as appropriate, in paper or  
8 electronic format.

9           (d) If a type of multiple-party account is not available  
10 from a financial institution, the financial institution is not  
11 required to make a disclosure about that type of account.

12           (e) This section does not apply to:

13                   (1) a credit union; or

14                   (2) an account that is opened or modified by a customer

15 who:

16                           (A) is a legal entity, including a governmental  
17 entity; or

18                           (B) is acting as a legal representative for  
19 another person.

20           SECTION 3. This Act applies only to a financial institution  
21 account opened or modified on or after the effective date of this  
22 Act. A financial institution account opened or modified before the  
23 effective date of this Act is governed by the law in effect on the  
24 date the account was opened or modified, and the former law is  
25 continued in effect for that purpose.

26           SECTION 4. This Act takes effect September 1, 2017.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 714 passed the Senate on April 26, 2017, by the following vote: Yeas 30, Nays 0, one present not voting.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 714 passed the House on May 19, 2017, by the following vote: Yeas 144, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor