

1-1 By: Seliger S.B. No. 714
 1-2 (In the Senate - Filed February 1, 2017; February 21, 2017,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 April 10, 2017, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; April 10, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to certain account disclosures provided by a financial
 1-20 institution to a customer.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section [113.052](#), Estates Code, is amended to
 1-23 read as follows:

1-24 Sec. 113.052. FORM. A financial institution may use the
 1-25 following form to establish the type of account selected by a party:

1-26 UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT SELECTION
 1-27 FORM NOTICE: The type of account you select may determine how
 1-28 property passes on your death. Your will may not control the
 1-29 disposition of funds held in some of the following accounts. You
 1-30 may choose to designate one or more convenience signers on an
 1-31 account, even if the account is not a convenience account. A
 1-32 designated convenience signer may make transactions on your behalf
 1-33 during your lifetime, but does not own the account during your
 1-34 lifetime. The designated convenience signer owns the account on
 1-35 your death only if the convenience signer is also designated as a
 1-36 P.O.D. payee or trust account beneficiary.

1-37 Select one of the following accounts by placing your initials
 1-38 next to the account selected:

1-39 (1) SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON
 1-40 DEATH) DESIGNATION. The party to the account owns the account. On
 1-41 the death of the party, ownership of the account passes as a part of
 1-42 the party's estate under the party's will or by intestacy.

1-43 Enter the name of the party:

1-44 _____
 1-45 Enter the name(s) of the convenience signer(s), if you want
 1-46 one or more convenience signers on this account:

1-47 _____
 1-48 _____

1-49 (2) SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON
 1-50 DEATH) DESIGNATION. The party to the account owns the account. On
 1-51 the death of the party, ownership of the account passes to the
 1-52 P.O.D. beneficiaries of the account. The account is not a part of
 1-53 the party's estate.

1-54 Enter the name of the party:

1-55 _____
 1-56 Enter the name or names of the P.O.D. beneficiaries:

1-57 _____
 1-58 _____

1-59 Enter the name(s) of the convenience signer(s), if you want
 1-60 one or more convenience signers on this account:

1-61 _____

2-1 _____
 2-2 _____ (3) MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF
 2-3 SURVIVORSHIP. The parties to the account own the account in
 2-4 proportion to the parties' net contributions to the account. The
 2-5 financial institution may pay any sum in the account to a party at
 2-6 any time. On the death of a party, the party's ownership of the
 2-7 account passes as a part of the party's estate under the party's
 2-8 will or by intestacy.

2-9 Enter the names of the parties:
 2-10 _____
 2-11 _____
 2-12 _____

2-13 Enter the name(s) of the convenience signer(s), if you want
 2-14 one or more convenience signers on this account:
 2-15 _____
 2-16 _____

2-17 _____ (4) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP.
 2-18 The parties to the account own the account in proportion to the
 2-19 parties' net contributions to the account. The financial
 2-20 institution may pay any sum in the account to a party at any time.
 2-21 On the death of a party, the party's ownership of the account passes
 2-22 to the surviving parties.

2-23 Enter the names of the parties:
 2-24 _____
 2-25 _____

2-26 Enter the name(s) of the convenience signer(s), if you want
 2-27 one or more convenience signers on this account:
 2-28 _____
 2-29 _____

2-30 _____ (5) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP
 2-31 AND P.O.D. (PAYABLE ON DEATH) DESIGNATION. The parties to the
 2-32 account own the account in proportion to the parties' net
 2-33 contributions to the account. The financial institution may pay
 2-34 any sum in the account to a party at any time. On the death of the
 2-35 last surviving party, the ownership of the account passes to the
 2-36 P.O.D. beneficiaries.

2-37 Enter the names of the parties:
 2-38 _____
 2-39 _____

2-40 Enter the name or names of the P.O.D. beneficiaries:
 2-41 _____
 2-42 _____

2-43 Enter the name(s) of the convenience signer(s), if you want
 2-44 one or more convenience signers on this account:
 2-45 _____
 2-46 _____

2-47 _____ (6) CONVENIENCE ACCOUNT. The parties to the account own
 2-48 the account. One or more convenience signers to the account may
 2-49 make account transactions for a party. A convenience signer does
 2-50 not own the account. On the death of the last surviving party,
 2-51 ownership of the account passes as a part of the last surviving
 2-52 party's estate under the last surviving party's will or by
 2-53 intestacy. The financial institution may pay funds in the account
 2-54 to a convenience signer before the financial institution receives
 2-55 notice of the death of the last surviving party. The payment to a
 2-56 convenience signer does not affect the parties' ownership of the
 2-57 account.

2-58 Enter the names of the parties:
 2-59 _____
 2-60 _____

2-61 Enter the name(s) of the convenience signer(s):
 2-62 _____
 2-63 _____

2-64 _____ (7) TRUST ACCOUNT. The parties named as trustees to the
 2-65 account own the account in proportion to the parties' net
 2-66 contributions to the account. A trustee may withdraw funds from the
 2-67 account. A beneficiary may not withdraw funds from the account
 2-68 before all trustees are deceased. On the death of the last
 2-69 surviving trustee, the ownership of the account passes to the

3-1 beneficiary. The trust account is not a part of a trustee's estate
3-2 and does not pass under the trustee's will or by intestacy, unless
3-3 the trustee survives all of the beneficiaries and all other
3-4 trustees.

3-5 Enter the name or names of the trustees:

3-6 _____
3-7 _____

3-8 Enter the name or names of the beneficiaries:

3-9 _____
3-10 _____

3-11 Enter the name(s) of the convenience signer(s), if you want
3-12 one or more convenience signers on this account:

3-13 _____
3-14 _____

3-15 ACKNOWLEDGMENT: I acknowledge that I have read each
3-16 paragraph of this form and have received disclosure of the
3-17 ownership rights to the accounts listed above. I have placed my
3-18 initials next to the type of account I want.

3-19 _____
3-20 Signature

3-21 SECTION 2. Section 113.053, Estates Code, is amended to
3-22 read as follows:

3-23 Sec. 113.053. REQUIRED DISCLOSURE; USE OF FORM.

3-24 (a) Except as provided by Subsection (d), a [A] financial
3-25 institution shall disclose the information provided in this
3-26 subchapter to a customer before [at the time] the customer selects
3-27 or modifies an account.

3-28 (a-1) A financial institution is considered to have
3-29 disclosed the information provided in this subchapter if:

3-30 (1) the financial institution uses the form provided
3-31 by Section 113.052; and

3-32 (2) the customer signs the acknowledgment provided at
3-33 the end [~~places the customer's initials to the right of each~~
3-34 ~~paragraph~~] of the form.

3-35 (b) If a financial institution varies the format of the form
3-36 provided by Section 113.052, the financial institution shall
3-37 disclose [may make disclosures in the account agreement or in any
3-38 other form that discloses] the information provided by this
3-39 subchapter [Disclosures under this subsection must:

3-40 [~~(1) be given~~] separately from other account
3-41 information except that the financial institution may disclose that
3-42 information as part of other account documentation if the
3-43 disclosures are the first items of the documentation[;

3-44 [~~(2) be provided before account selection or~~
3-45 modification;

3-46 [~~(3) be printed in 14-point boldfaced type; and~~

3-47 [~~(4) if the discussions that precede the account~~
3-48 opening or modification are conducted primarily in a language other
3-49 than English, be in that language].

3-50 (c) The financial institution shall notify the customer of
3-51 the type of account the customer selected. This requirement is
3-52 satisfied by providing the customer with a copy of the account
3-53 opening or modification documentation, as appropriate, in paper or
3-54 electronic format.

3-55 (d) If a type of multiple-party account is not available
3-56 from a financial institution, the financial institution is not
3-57 required to make a disclosure about that type of account [This
3-58 section does not apply to a credit union].

3-59 (e) This section does not apply to an account that is opened
3-60 or modified by a customer who:

3-61 (1) is a legal entity, including a governmental
3-62 entity; or

3-63 (2) is acting as a legal representative for another
3-64 person.

3-65 SECTION 3. Section 113.0531, Estates Code, is repealed.

3-66 SECTION 4. This Act applies only to a financial institution
3-67 account opened or modified on or after the effective date of this
3-68 Act. A financial institution account opened or modified before the
3-69 effective date of this Act is governed by the law in effect on the

4-1 date the account was opened or modified, and the former law is
4-2 continued in effect for that purpose.

4-3 SECTION 5. This Act takes effect September 1, 2017.

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