

AN ACT

relating to the designation of convenience signers on certain accounts established at financial institutions.

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

SECTION 1. Part 1, Chapter XI, Texas Probate Code, is amended by adding Section 438B to read as follows:

Sec. 438B. CONVENIENCE SIGNER ON OTHER ACCOUNTS. (a) An account established by one or more parties at a financial institution that is not designated as a convenience account, but is instead designated as a single-party account or another type of multiple-party account, may provide that the sums on deposit may be paid or delivered to the parties or to one or more convenience signers "for the convenience of the parties."

(b) Except as provided by Subsection (c) of this section:

(1) the provisions of Section 438A of this chapter apply to an account described by Subsection (a) of this section, including provisions relating to the ownership of the account during the lifetimes and on the deaths of the parties and provisions relating to the powers and duties of the financial institution at which the account is established; and

(2) any other law relating to a convenience signer applies to a convenience signer designated as provided by this section to the extent the law applies to a convenience signer on a convenience account.

1        (c) On the death of the last surviving party to an account  
2 that has a convenience signer designated as provided by this  
3 section, the convenience signer does not have a right of  
4 survivorship in the account and the estate of the last surviving  
5 party owns the account unless the convenience signer is also  
6 designated as a P.O.D. payee or as a beneficiary.

7        SECTION 2. Sections 439A(a) and (b), Texas Probate Code,  
8 are amended to read as follows:

9        (a) A contract of deposit that contains provisions  
10 substantially the same as in the form provided by Subsection (b) of  
11 this section establishes the type of account selected by a party.  
12 The provisions of this part of Chapter XI of this code govern an  
13 account selected under the form[~~, other than a single-party account~~  
14 ~~without a P.O.D. designation~~]. A contract of deposit that does not  
15 contain provisions substantially the same as in the form provided  
16 by Subsection (b) of this section is governed by the provisions of  
17 this chapter applicable to the account that most nearly conforms to  
18 the depositor's intent.

19        (b) A financial institution may use the following form to  
20 establish the type of account selected by a party:

21        UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT SELECTION  
22 FORM NOTICE: The type of account you select may determine how  
23 property passes on your death. Your will may not control the  
24 disposition of funds held in some of the following accounts. You  
25 may choose to designate one or more convenience signers on an  
26 account, even if the account is not a convenience account. A  
27 designated convenience signer may make transactions on your behalf

1 during your lifetime, but does not own the account during your  
2 lifetime. The designated convenience signer owns the account on  
3 your death only if the convenience signer is also designated as a  
4 P.O.D. payee or trust account beneficiary.

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

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

11       Enter the name of the party:

12       \_\_\_\_\_

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

15       \_\_\_\_\_

16       \_\_\_\_\_

17       \_\_\_ (2) SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON  
18 DEATH) DESIGNATION. The party to the account owns the account. On  
19 the death of the party, ownership of the account passes to the  
20 P.O.D. beneficiaries of the account. The account is not a part of  
21 the party's estate.

22       Enter the name of the party:

23       \_\_\_\_\_

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

25       \_\_\_\_\_

26       \_\_\_\_\_

27       Enter the name(s) of the convenience signer(s), if you want

1 one or more convenience signers on this account:

2 \_\_\_\_\_  
3 \_\_\_\_\_

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

11 Enter the names of the parties:

12 \_\_\_\_\_  
13 \_\_\_\_\_  
14 \_\_\_\_\_

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

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

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

25 Enter the names of the parties:

26 \_\_\_\_\_  
27 \_\_\_\_\_

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

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

5        \_\_\_\_ (5) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP  
6 AND P.O.D. (PAYABLE ON DEATH) DESIGNATION. The parties to the  
7 account own the account in proportion to the parties' net  
8 contributions to the account. The financial institution may pay  
9 any sum in the account to a party at any time. On the death of the  
10 last surviving party, the ownership of the account passes to the  
11 P.O.D. beneficiaries.

12        Enter the names of the parties:

13        \_\_\_\_\_  
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        \_\_\_\_ (6) CONVENIENCE ACCOUNT. The parties to the account own  
23 the account. One or more convenience signers to the account may  
24 make account transactions for a party. A convenience signer does  
25 not own the account. On the death of the last surviving party,  
26 ownership of the account passes as a part of the last surviving  
27 party's estate under the last surviving party's will or by

1 intestacy. The financial institution may pay funds in the account  
2 to a convenience signer before the financial institution receives  
3 notice of the death of the last surviving party. The payment to a  
4 convenience signer does not affect the parties' ownership of the  
5 account.

6 Enter the names of the parties:

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

9 Enter the name(s) [~~names~~] of the convenience signer(s)  
10 [~~signers~~]:

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

13 \_\_\_\_ (7) TRUST ACCOUNT. The parties named as trustees to the  
14 account own the account in proportion to the parties' net  
15 contributions to the account. A trustee may withdraw funds from the  
16 account. A beneficiary may not withdraw funds from the account  
17 before all trustees are deceased. On the death of the last  
18 surviving trustee, the ownership of the account passes to the  
19 beneficiary. The trust account is not a part of a trustee's estate  
20 and does not pass under the trustee's will or by intestacy, unless  
21 the trustee survives all of the beneficiaries and all other  
22 trustees.

23 Enter the name or names of the trustees:

24 \_\_\_\_\_  
25 \_\_\_\_\_

26 Enter the name or names of the beneficiaries:

27 \_\_\_\_\_

1 \_\_\_\_\_  
2 Enter the name(s) of the convenience signer(s), if you want  
3 one or more convenience signers on this account:

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

6 SECTION 3. The changes in law made by this Act apply to an  
7 account with a financial institution for which a convenience signer  
8 is designated, regardless of whether the account was established or  
9 the convenience signer was designated before, on, or after the  
10 effective date of this Act.

11 SECTION 4. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3075 was passed by the House on May 12, 2009, by the following vote: Yeas 149, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3075 was passed by the Senate on May 27, 2009, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor