

1-1 By: Deshotel (Senate Sponsor - Hinojosa) H.B. No. 3075
1-2 (In the Senate - Received from the House May 13, 2009;
1-3 May 14, 2009, read first time and referred to Committee on
1-4 Jurisprudence; May 23, 2009, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the designation of convenience signers on certain
1-9 accounts established at financial institutions.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Part 1, Chapter XI, Texas Probate Code, is
1-12 amended by adding Section 438B to read as follows:

1-13 Sec. 438B. CONVENIENCE SIGNER ON OTHER ACCOUNTS. (a) An
1-14 account established by one or more parties at a financial
1-15 institution that is not designated as a convenience account, but is
1-16 instead designated as a single-party account or another type of
1-17 multiple-party account, may provide that the sums on deposit may be
1-18 paid or delivered to the parties or to one or more convenience
1-19 signers "for the convenience of the parties."

1-20 (b) Except as provided by Subsection (c) of this section:

1-21 (1) the provisions of Section 438A of this chapter
1-22 apply to an account described by Subsection (a) of this section,
1-23 including provisions relating to the ownership of the account
1-24 during the lifetimes and on the deaths of the parties and provisions
1-25 relating to the powers and duties of the financial institution at
1-26 which the account is established; and

1-27 (2) any other law relating to a convenience signer
1-28 applies to a convenience signer designated as provided by this
1-29 section to the extent the law applies to a convenience signer on a
1-30 convenience account.

1-31 (c) On the death of the last surviving party to an account
1-32 that has a convenience signer designated as provided by this
1-33 section, the convenience signer does not have a right of
1-34 survivorship in the account and the estate of the last surviving
1-35 party owns the account unless the convenience signer is also
1-36 designated as a P.O.D. payee or as a beneficiary.

1-37 SECTION 2. Sections 439A(a) and (b), Texas Probate Code,
1-38 are amended to read as follows:

1-39 (a) A contract of deposit that contains provisions
1-40 substantially the same as in the form provided by Subsection (b) of
1-41 this section establishes the type of account selected by a party.
1-42 The provisions of this part of Chapter XI of this code govern an
1-43 account selected under the form[, ~~other than a single-party account~~
1-44 ~~without a P.O.D. designation~~]. A contract of deposit that does not
1-45 contain provisions substantially the same as in the form provided
1-46 by Subsection (b) of this section is governed by the provisions of
1-47 this chapter applicable to the account that most nearly conforms to
1-48 the depositor's intent.

1-49 (b) A financial institution may use the following form to
1-50 establish the type of account selected by a party:

1-51 UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT SELECTION
1-52 FORM NOTICE: The type of account you select may determine how
1-53 property passes on your death. Your will may not control the
1-54 disposition of funds held in some of the following accounts. You
1-55 may choose to designate one or more convenience signers on an
1-56 account, even if the account is not a convenience account. A
1-57 designated convenience signer may make transactions on your behalf
1-58 during your lifetime, but does not own the account during your
1-59 lifetime. The designated convenience signer owns the account on
1-60 your death only if the convenience signer is also designated as a
1-61 P.O.D. payee or trust account beneficiary.

1-62 Select one of the following accounts by placing your initials
1-63 next to the account selected:

1-64 ___ (1) SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON

2-1 DEATH) DESIGNATION. The party to the account owns the account. On
2-2 the death of the party, ownership of the account passes as a part of
2-3 the party's estate under the party's will or by intestacy.

2-4 Enter the name of the party:

2-5 _____
2-6 Enter the name(s) of the convenience signer(s), if you want
2-7 one or more convenience signers on this account:

2-8 _____
2-9 _____

2-10 _____ (2) SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON
2-11 DEATH) DESIGNATION. The party to the account owns the account. On
2-12 the death of the party, ownership of the account passes to the
2-13 P.O.D. beneficiaries of the account. The account is not a part of
2-14 the party's estate.

2-15 Enter the name of the party:

2-16 _____
2-17 Enter the name or names of the P.O.D. beneficiaries:

2-18 _____
2-19 _____

2-20 Enter the name(s) of the convenience signer(s), if you want
2-21 one or more convenience signers on this account:

2-22 _____
2-23 _____

2-24 _____ (3) MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF
2-25 SURVIVORSHIP. The parties to the account own the account in
2-26 proportion to the parties' net contributions to the account. The
2-27 financial institution may pay any sum in the account to a party at
2-28 any time. On the death of a party, the party's ownership of the
2-29 account passes as a part of the party's estate under the party's
2-30 will or by intestacy.

2-31 Enter the names of the parties:

2-32 _____
2-33 _____
2-34 _____

2-35 Enter the name(s) of the convenience signer(s), if you want
2-36 one or more convenience signers on this account:

2-37 _____
2-38 _____

2-39 _____ (4) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP.
2-40 The parties to the account own the account in proportion to the
2-41 parties' net contributions to the account. The financial
2-42 institution may pay any sum in the account to a party at any time.
2-43 On the death of a party, the party's ownership of the account passes
2-44 to the surviving parties.

2-45 Enter the names of the parties:

2-46 _____
2-47 _____
2-48 _____

2-48 Enter the name(s) of the convenience signer(s), if you want
2-49 one or more convenience signers on this account:

2-50 _____
2-51 _____

2-52 _____ (5) MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP
2-53 AND P.O.D. (PAYABLE ON DEATH) DESIGNATION. The parties to the
2-54 account own the account in proportion to the parties' net
2-55 contributions to the account. The financial institution may pay
2-56 any sum in the account to a party at any time. On the death of the
2-57 last surviving party, the ownership of the account passes to the
2-58 P.O.D. beneficiaries.

2-59 Enter the names of the parties:

2-60 _____
2-61 _____
2-62 Enter the name or names of the P.O.D. beneficiaries:

2-63 _____
2-64 _____

2-65 Enter the name(s) of the convenience signer(s), if you want
2-66 one or more convenience signers on this account:

2-67 _____
2-68 _____

2-69 _____ (6) CONVENIENCE ACCOUNT. The parties to the account own

3-1 the account. One or more convenience signers to the account may
3-2 make account transactions for a party. A convenience signer does
3-3 not own the account. On the death of the last surviving party,
3-4 ownership of the account passes as a part of the last surviving
3-5 party's estate under the last surviving party's will or by
3-6 intestacy. The financial institution may pay funds in the account
3-7 to a convenience signer before the financial institution receives
3-8 notice of the death of the last surviving party. The payment to a
3-9 convenience signer does not affect the parties' ownership of the
3-10 account.

3-11 Enter the names of the parties:

3-12 _____
3-13 _____

3-14 Enter the name(s) [~~names~~] of the convenience signer(s)
3-15 [~~signers~~]:

3-16 _____
3-17 _____

3-18 ____ (7) TRUST ACCOUNT. The parties named as trustees to the
3-19 account own the account in proportion to the parties' net
3-20 contributions to the account. A trustee may withdraw funds from the
3-21 account. A beneficiary may not withdraw funds from the account
3-22 before all trustees are deceased. On the death of the last
3-23 surviving trustee, the ownership of the account passes to the
3-24 beneficiary. The trust account is not a part of a trustee's estate
3-25 and does not pass under the trustee's will or by intestacy, unless
3-26 the trustee survives all of the beneficiaries and all other
3-27 trustees.

3-28 Enter the name or names of the trustees:

3-29 _____
3-30 _____

3-31 Enter the name or names of the beneficiaries:

3-32 _____
3-33 _____

3-34 Enter the name(s) of the convenience signer(s), if you want
3-35 one or more convenience signers on this account:

3-36 _____
3-37 _____

3-38 SECTION 3. The changes in law made by this Act apply to an
3-39 account with a financial institution for which a convenience signer
3-40 is designated, regardless of whether the account was established or
3-41 the convenience signer was designated before, on, or after the
3-42 effective date of this Act.

3-43 SECTION 4. This Act takes effect immediately if it receives
3-44 a vote of two-thirds of all the members elected to each house, as
3-45 provided by Section 39, Article III, Texas Constitution. If this
3-46 Act does not receive the vote necessary for immediate effect, this
3-47 Act takes effect September 1, 2009.

3-48 * * * * *