

By: Seliger

S.B. No. 714

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain account disclosures provided by a financial
3 institution to a customer.

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

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

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

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

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

22 ___ (1) SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON
23 DEATH) DESIGNATION. The party to the account owns the account. On
24 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
11 SURVIVORSHIP. The parties to the account own the account in
12 proportion to the parties' net contributions to the account. The
13 financial institution may pay any sum in the account to a party at
14 any time. On the death of a party, the party's ownership of the
15 account passes 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
14 own the account. One or more convenience signers to the account
15 may make account transactions for a party. A convenience signer
16 does 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
6 the 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 paragraph
24 of this form and have received disclosure of the ownership rights to
25 the accounts listed above. I have placed my initials next to the
26 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. (a) Except
5 as provided by Subsection (d), a [A] financial institution shall
6 disclose the information provided in this subchapter to a customer
7 before [~~at the time~~] the customer selects or modifies an account.

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

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

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

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

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

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

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

27 [~~(4) if the discussions that precede the account~~

1 ~~opening or modification are conducted primarily in a language other~~
2 ~~than English, be in that language].~~

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

8 (d) If a type of multiple-party account is not available
9 from a financial institution, the financial institution is not
10 required to make a disclosure about that type of account [~~This~~
11 ~~section does not apply to a credit union].~~

12 (e) This section does not apply to an account that is opened
13 or modified by a customer who:

14 (1) is a legal entity, including a governmental
15 entity; or

16 (2) is acting as a legal representative for another
17 person.

18 SECTION 3. Section 113.0531, Estates Code, is repealed.

19 SECTION 4. This Act applies only to a financial institution
20 account opened or modified on or after the effective date of this
21 Act. A financial institution account opened or modified before the
22 effective date of this Act is governed by the law in effect on the
23 date the account was opened or modified, and the former law is
24 continued in effect for that purpose.

25 SECTION 5. This Act takes effect September 1, 2017.