

1 State of Arkansas
2 79th General Assembly
3 Regular Session, 1993
4 By: Representative Dawson

A Bill

HOUSE BILL

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED 23-32-1005 TO PROVIDE THAT ACCOUNTS, DEPOSITS, AND CERTIFICATES OF DEPOSIT IN THE NAME OF A PARENT OR PARENTS AND ONE OR MORE CHILDREN SHALL BE HELD FOR THE BENEFIT OF THE HEIRS AT LAW ON THE DEATH OF THE PARENT ABSENT SPECIFIC LANGUAGE TO THE CONTRARY; AND FOR OTHER PURPOSES."

Subtitle

"AN ACT TO PROVIDE THAT ACCOUNTS IN THE NAME OF A PARENT OR PARENTS AND ONE OR MORE CHILDREN SHALL BE HELD FOR HEIRS ON THE DEATH OF THE PARENT."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Legislative Intent. It has come to the attention of the Arkansas General Assembly that parents often create bank accounts and certificates of deposit jointly with one or more of their children for the purpose of avoiding probate or for the ease of access to the monetary funds in the event of disability or death without the parent intending that the proceeds of those accounts be held by the child or children as their property free of the claims of the other heirs at law or the beneficiaries under the last will and testament of the parent. Therefore, it is our expressed intent that the child or children on such accounts shall hold the same as the trustee for the beneficiaries named under the last will and testament of the decedent, if one exists, otherwise for the heirs at law of the deceased parent after payment of the funeral costs, the expenses of the last illness, and the debts of the decedent, unless otherwise expressly set forth on the account card.

SECTION 2. Arkansas Code Annotated 23-32-1005 is amended by adding the following new subsection:

"(1) Notwithstanding the provisions of this section or other laws to the contrary, whenever an account, a deposit, or a certificate of deposit has been opened, held, or purchased in two or more names as joint tenants with right of survivorship other than solely by a husband and wife, then the proceeds of the account, deposit, or certificate of deposit shall be held by the survivor or survivors as the trustee for the benefit of the beneficiaries named under the last will and testament of the decedent, or if none, then for the benefit of the heirs at law of the decedent if the account, deposit, or certificate of deposit was held jointly at death by a parent or parents who are now deceased and one or more of their

1 children, unless the parent or parents specifically designate on the account card or certificate, and initial that designation, that he, she, or they
2 desire that the proceeds be paid to the surviving child or children free of any claims of the heirs at law and of any named beneficiaries under the
3 parent's last will and testament. Such child or children shall promptly pay the proceeds of such account to beneficiaries under the last will
4 and testament, if any, or otherwise to the heirs at law of the deceased parent after payment of the funeral costs, the expenses of the last illness,
5 and the debts of the deceased parent. Any payment made by the financial institution to the survivors of the joint account shall be a complete
6 discharge to it of the amount paid."

7

8 *SECTION 3. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987*
9 *Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.*

10

11 *SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity*
12 *shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end*
13 *the provisions of this act are declared to be severable.*

14

15 *SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.*

16