

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

HOUSE BILL 1076

4  
5 By: House Interim Committee on Insurance and Commerce  
6 By: Senate Interim Committee on Insurance and Commerce

## For An Act To Be Entitled

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9 "AN ACT TO REENACT ARKANSAS CODE 23-32-1005 PERTAINING TO  
10 ACCOUNTS AT SAVINGS AND LOAN ASSOCIATION IN MULTIPLE  
11 NAMES; AND FOR OTHER PURPOSES."

## Subtitle

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14 "TO REENACT ARKANSAS CODE PERTAINING TO  
15 ACCOUNTS AT SAVINGS AND LOAN ASSOCIATION  
16 IN MULTIPLE NAMES."

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

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20 SECTION 1. Accounts and certificates of deposit in two or more names.  
21 Checking accounts and savings accounts may be opened and certificates of  
22 deposit may be issued by any federally or state-chartered savings and loan  
23 association, in the names of two (2) or more persons, either minor or adult,  
24 or a combination of minor and adult. Checking accounts, savings accounts, and  
25 certificates of deposit shall be held and payable as follows:

26 (1)(A) Unless a written designation to the contrary is made to the  
27 federally or state-chartered savings and loan association, when a deposit has  
28 been made or a certificate of deposit purchased in the names of two (2) or  
29 more persons and in form to be paid to any of the persons so named, or the  
30 survivors of them, the deposit or certificate of deposit and any additions  
31 thereto made by any of the persons named in the account shall become the  
32 property of those persons as joint tenants with the right of survivorship;

33 (B) The deposit or certificate of deposit, together with all interest  
34 thereon, shall be held for the exclusive use of the persons so named and may  
35 be paid to any of those persons or to the survivors after the death of any of  
36 those persons. The payment shall be a valid and sufficient release and

1 discharge of the federally or state-chartered savings and loan association for  
 2 all payments made on account of the deposit or certificate of deposit;

3       (2)(A) If the person opening the account or purchasing the certificate  
 4 of deposit designates in writing to the federally or state-chartered savings  
 5 and loan association that the account or the certificate of deposit is to be  
 6 held in joint tenancy or in joint tenancy with right of survivorship, or that  
 7 the account or certificate of deposit shall be payable to the survivor or  
 8 survivors of the persons named in the account or certificate of deposit, then  
 9 the account or certificate of deposit and all additions thereto shall be the  
 10 property of those persons as joint tenants with right of survivorship.

11       (B) The account or certificate of deposit may be paid to or on the order  
 12 of any one (1) of those persons during their lifetime unless a contrary  
 13 written designation is given to the federally or state-chartered savings and  
 14 loan association, or to or on the order of any one (1) of the survivors of  
 15 them after the death of any one (1) or more of them.

16       (C) The opening of the account or the purchase of the certificate of  
 17 deposit in this form shall be conclusive evidence in any action or proceeding  
 18 to which either the federally or state-chartered savings and loan association  
 19 or the surviving party is a party of the intention of all of the parties to  
 20 the account or certificate of deposit to vest title to the account or  
 21 certificate of deposit, and the additions thereto, in such survivor.

22       (D) The payment shall be a valid and sufficient release of the federally  
 23 or state-chartered savings and loan association for all payments made on  
 24 account of the deposit or certificate of deposit;

25       (3) If an account is opened or a certificate of deposit is purchased in  
 26 the names of persons who denominate themselves to the federally or state-  
 27 chartered savings and loan association as husband and wife, whether or not  
 28 they are at that time husband and wife, then the account or certificate of  
 29 deposit and all additions thereto shall be the property of those persons as  
 30 tenants by the entirety. Upon the death of one (1) of those persons, the  
 31 account shall be payable to the survivor;

32       (4)(A) If persons open or hold an account or a certificate of deposit in  
 33 a form indicating that the account or certificate of deposit is a tenants in  
 34 common account or certificate of deposit, then the account or certificate of  
 35 deposit and all additions thereto shall be the property of those persons as  
 36 tenants in common. The federally or state-chartered savings and loan

1 association, upon receipt of a specific written notice addressed to it of the  
2 death of either party, shall pay upon the written order of the survivor, to  
3 such survivor, his pro rata part of the account or certificate and to the  
4 estate of the deceased owner, the deceased's pro rata part of the account or  
5 certificate.

6 (B) However, the federally or state-chartered savings and loan  
7 association may pay the entire account or certificate of deposit and all  
8 additions thereto upon the receipt or acquittance of either party to the  
9 account or certificate, prior to receipt of a specific written notice of  
10 death, unless there has been filed with the federally or state-chartered  
11 savings and loan association a written designation that more than one (1)  
12 signature is required to deal with the account;

13 (C) In the absence of any written designation to the contrary filed with  
14 the federally or state-chartered savings and loan association, all tenants in  
15 common accounts shall be deemed to be owned pro rata by the persons named in  
16 the account;

17 (5) If an account is opened or a certificate of deposit is purchased in  
18 the name of two (2) or more persons, whether as joint tenants, tenants by the  
19 entirety, tenants in common, or otherwise, a federally or state-chartered  
20 savings and loan association shall pay withdrawal requests, accept pledges of  
21 the account or certificate of deposit, and otherwise deal in any manner with  
22 the account or certificate of deposit. This may be done upon the direction of  
23 any one (1) of the persons named therein, whether the other persons named in  
24 the account or certificate of deposit are living or not, unless one (1) of the  
25 persons named therein shall, by written instructions delivered to the  
26 federally or state-chartered savings and loan association, designate that the  
27 signature of more than one (1) person shall be required to deal with the  
28 account or certificate of deposit;

29 (6)(A) If a person opens or holds an account or certificate of deposit  
30 in a form indicating that, on the death of the person named as holder, the  
31 account or certificate of deposit shall be paid to or held by another person,  
32 then the account or certificate of deposit and any balance thereof which  
33 exists from time to time shall be held as a payment on death account or  
34 certificate of deposit unless otherwise agreed between the person opening the  
35 account or purchasing the certificate of deposit and the federally or state-  
36 chartered savings and loan association.

1       (B) The payment shall be valid and sufficient release and discharge of  
2 the federally or state-chartered savings and loan association for all payments  
3 made on account of the account or certificate of deposit;

4       (7) Upon the death of the holder of the account or certificate of  
5 deposit, the persons designated by him and who have survived him shall be the  
6 owners of the account or certificate as joint tenants with right of  
7 survivorship if more than one (1). Any payment made by the federally or  
8 state-chartered savings and loan association to any of those person shall be a  
9 complete discharge of the federally or state-chartered savings and loan  
10 association as to the amount paid;

11       (8) No federally or state-chartered savings and loan association paying  
12 any survivor in accordance with the provisions of this section shall thereby  
13 be liable for any estate, inheritance, or succession taxes which may be due  
14 this state;

15       (9) During his lifetime, the person to whom such account or certificate  
16 of deposit is issued may change the designation of any of the persons who are  
17 to be holders at his death, by a written direction accepted by the federally  
18 or state-chartered savings and loan association;

19       (10) The terms "designate in writing," "written designation,"  
20 "designate," "designates," "designation," or "designated" shall not be  
21 construed to require that the depositor or purchaser affix his signature to an  
22 instrument.

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24       SECTION 2. All provisions of this act of a general and permanent nature  
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
26 Revision Commission shall incorporate the same in the Code.

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28       SECTION 3. If any provision of this act or the application thereof to  
29 any person or circumstance is held invalid, such invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provision or application, and to this end the provisions of this  
32 act are declared to be severable.

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34       SECTION 4. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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1           SECTION 5. EMERGENCY. It is hereby found and determined by the General  
2 Assembly that the Arkansas Banking Act of 1997 goes into effect on May 31,  
3 1997; that the law addressed by this act was repealed by the Arkansas Banking  
4 Act of 1997 for technical purposes; that this act will reenact that law with  
5 necessary changes; and that this act must go into effect on May 31, 1997, in  
6 order to correlate with the Banking Act of 1997. Therefore an emergency is  
7 declared to exist and this act being immediately necessary for the  
8 preservation of the public peace, health and safety shall be in full force and  
9 effect from and after May 31, 1997.

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