

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

HOUSE BILL 1584

4
5 By: Representative Gossage

For An Act To Be Entitled

8 AN ACT TO REVISE THE REQUIREMENTS FOR PAYABLE ON
9 DEATH DEPOSIT ACCOUNTS; TO DECLARE AN EMERGENCY; AND
10 FOR OTHER PURPOSES.

Subtitle

14 TO REVISE THE REQUIREMENTS FOR PAYABLE ON
15 DEATH DEPOSIT ACCOUNTS; AND TO DECLARE AN
16 EMERGENCY.

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

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21 SECTION 1. The catchline for Arkansas Code § 23-47-204 is amended to
22 read as follows:

23 23-47-204. ~~Multiple-party deposits~~ Deposit accounts.

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25 SECTION 2. Arkansas Code § 23-47-204(a), concerning the definition of
26 a "multiple-party deposit account", is amended to read as follows:

27 (a)(1) As used in this section:

28 (A) ~~"multiple-party~~ "Multiple-party deposit account" means
29 a deposit account established in the names of, ~~two (2) or more persons and~~
30 payable to, or in a form subject to withdrawal by ~~two (2)~~ one (1) or more
31 ~~natural~~ of the persons named on the deposit account; and

32 (B) "Single-party deposit account" means a deposit account
33 established in the name of one (1) person and payable to or in a form subject
34 to withdrawal by the person named on the deposit account.

35 (2) A deposit account may be established as a single-party
36 deposit account or a multiple-party deposit account.



1 SECTION 3. Arkansas Code § 23-47-204(e), concerning a payable on death
2 deposit account, is amended to read as follows:

3 (e)(1)(A) A deposit account may have a payable on death designation.

4 (B) A payable on death deposit account is created ~~when~~ if
5 the depositor indicates on the account documents that:

6 (i) The deposit account is payable to one (1) or
7 more living account holders during the life of the account holders; and

8 (ii) ~~on~~ Upon the death of the person ~~named as holder~~
9 or persons to whom the deposit account is payable under subdivision
10 (e)(1)(B)(i) of this section, the deposit account shall be paid to or held by
11 another person or persons, as defined in § 23-45-102.

12 (2)(A) Upon the death of the person ~~named as holder or persons~~
13 to whom the deposit account is payable under subdivision (e)(1)(B)(i) of this
14 section, the owner of the deposit account shall be the person or persons
15 designated by him or her and who has survived him or her shall be the owner
16 of the deposit account and, the depositor as a beneficiary on the account
17 documents and that beneficiary is a person, as defined in § 23-45-102.

18 (B)(i) ~~if~~ If more than one (1) person ~~shall be the owners~~
19 becomes an owner of the deposit account under subdivision (e)(2)(A) of this
20 section, ownership of the deposit account shall be as joint tenants with
21 right of survivorship.

22 (ii) If a designated beneficiary does not survive or
23 is not a person as defined in § 23-45-102, the proceeds remaining on deposit
24 in the deposit account belong to the estate of the last surviving account
25 holder.

26 (3) During the lifetime of the depositor, he or she may change
27 the designation of the ~~person~~ beneficiary who is to shall be the owner at his
28 or her death by written direction in a form acceptable to the bank.

29 (4) The State Bank Department shall promulgate rules that set
30 out procedures a bank may take before transferring ownership of a deposit
31 account, closing a deposit account, and distributing the proceeds to a person
32 designated by the account documents as a beneficiary.

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34 SECTION 4. Arkansas Code § 23-47-204, concerning multiple-party
35 deposit accounts, is amended to add an additional subsection to read as
36 follows:

1 (k) This section applies to a deposit account established on or after
2 the effective date of this act.

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4 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that an account holder of a deposit
6 account may only designate a natural person as a beneficiary under a payable
7 on death designation; that many bank customers in this state desire to
8 designate a beneficiary who is not a natural person and would have the
9 ability to do so if the limitation was removed; and that this act is
10 necessary because it allows an account holder of a deposit account to
11 designate a trust or an entity and not limited to a natural person as a
12 beneficiary. Therefore, an emergency is declared to exist, and this act
13 being necessary for the preservation of the public peace, health, and safety
14 shall become effective on June 1, 2015.

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