

Regular Session, 2010

HOUSE BILL NO. 293

BY REPRESENTATIVE BURFORD

FINANCIAL INSTITUTIONS: Provides for the transfer of ownership of assets held in a joint account

1 AN ACT

2 To amend and reenact R.S. 6:317, relative to bank joint accounts; to provide for the transfer
3 of ownership of assets held in a joint account; to provide for the limitations of bank
4 liability; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:317 is hereby amended and reenacted to read as follows:

7 §317. Ownership of deposited funds; transfer of ownership to surviving depositor

8 A. A bank may conclusively rely on any application, agreement, or signature
9 card used to establish a deposit account as establishing ownership of any and all
10 funds and other credits deposited therein, and may consider and treat any and all
11 funds on deposit in such an account as belonging to and the sole and exclusive
12 property of the depositor or depositors named on the account application, agreement,
13 or signature card, unless otherwise notified or directed by such depositor or
14 depositors.

15 B. Notwithstanding any other provision of law to the contrary, an account
16 may be in the name of two depositors, in such form that the money in the account is
17 payable to either depositor and such money due under such account, and all additions
18 thereto, shall be the property of the surviving depositor. The money due under the
19 account may be paid to, or on the order of, either of such depositors during their
20 lifetime or, upon the death of either of them, to, or on the order of, such surviving

1 depositor. The opening of the account in such form shall be conclusive evidence,
2 with regard to the liability of the bank, of the intention of all the parties to the
3 account to vest title to money due under the account and the additions thereto to the
4 surviving depositor. By written instructions given to the bank by all parties to the
5 account, the signatures of such depositors during their lifetime, or of the surviving
6 depositor after the death of either of them, may be required for withdrawal, in which
7 case the bank shall pay the money in the account only in accordance with such
8 instructions; however, no such instructions shall limit the right of the surviving
9 depositor to receive the money in the account.

10 C. Payment of any or all of the money in a deposit account, as provided for
11 in Subsection B of this Section, shall discharge the bank from liability with respect
12 to the money so paid, prior to receipt by the bank of a court order prohibiting or
13 enjoining such activity. After receipt of such court order, a bank may refuse, without
14 liability, to honor any withdrawal on the account pending determination of the rights
15 of the parties.

16 D. No bank paying any surviving depositor in accordance with the provisions
17 of Subsection B of this Section shall be liable for any estate, inheritance, or
18 succession taxes which may be owed to the state.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Burford

HB No. 293

Abstract: Provides for the transfer of ownership of assets held in a joint account.

Present law provides that a bank may conclusively rely on any application, agreement, or signature card used to establish a deposit account as establishing ownership of any and all funds and other credits deposited in the account.

Proposed law retains present law and further provides for the transfer of ownership from one joint account depositor to another, provided the parties execute a document stating their intention to vest the surviving depositor with ownership rights.

Proposed law limits a bank's liability on distribution of monies in joint accounts.

(Amends R.S. 6:317)