

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1584

By: Representative Gossage

## For An Act To Be Entitled

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

## Subtitle

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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