

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 1034

By: Mize

COMMITTEE SUBSTITUTE

An Act relating to banking; providing certain powers and authorities for authorized signers on deposit accounts; allowing for certain additional powers; providing for additional authorization document; stating content requirements for certain document; providing for granting of certain additional powers; providing certain form for additional powers; amending 6 O.S. 2011, Section 901, which relates to deposits in the name of two or more persons; modifying requirements for certain beneficiaries for Payable on Death deposit accounts; amending 6 O.S. 2011, Section 906, as last amended by Section 1, Chapter 73, O.S.L. 2017 (6 O.S. Supp. 2020, Section 906), which relates to transfer of funds to known heirs of deceased without designated beneficiary; requiring certain transfers if no probate proceedings are pending; authorizing inclusion of indemnity clause in certain affidavits; providing for court determination to release certain deposits; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 908 of Title 6, unless there is created a duplication in numbering, reads as follows:

1 A. Unless the deposit account agreement states otherwise, an
2 authorized signer on a deposit account shall have the following
3 powers, regardless of whether the account is a consumer or
4 commercial account:

5 1. Sign checks;

6 2. Make deposits of checks payable to the account owner into
7 the account;

8 3. Make cash deposits into the account;

9 4. Obtain an account balance;

10 5. View copies of checks he or she has signed; and

11 6. Obtain deposit slips when making a deposit.

12 B. If additional authority is not expressly granted in the
13 deposit account agreement, additional powers may be granted in
14 writing by the owner of the account. If the account is an
15 individual account, the owner may execute an additional
16 authorization document. It must be dated and in writing and may be
17 revoked or amended at any time by the account owner. If there are
18 multiple owners, all must execute the additional authorization
19 document. If the account is owned by an entity, the entity must
20 approve the grant of additional powers in the same manner as it
21 appoints authorized signers.

22 C. A customer may initial next to the additional powers to be
23 granted and line through those that are not being granted, pursuant
24 to subsection D of this section.

1 D. Form for Additional Powers for Authorized Signer:

2 I, the undersigned account owner or duly empowered
3 representative of the account owner, hereby grant and approve the
4 following additional powers for authorized signer(s) on account

5 # _____ . Bank name _____ .

6 _____ Obtain and use a debit card or automated teller
7 machine card

8 _____ Obtain copies of statements on the account from the
9 bank

10 _____ Order checks

11 _____ Obtain copies of checks or other transactions on
12 the account

13 _____ Authorize or terminate automated clearing house
14 debits to the account

15 _____ Complete affidavits of forgery

16 _____ Initiate a change of address for the account

17 _____ Withdraw cash up to \$ _____

18 _____ Dispute a card transaction on the account

19 _____ Report a lost or stolen card on the account

20 _____ Use online banking to view transactions on the
21 account

22 _____ Set up online bill payments

23 _____ Use the mobile app to access information about the
24 account.

SECTION 2. AMENDATORY 6 O.S. 2011, Section 901, is

amended to read as follows:

Section 901. A. When a deposit has been made or shall hereafter be made in any bank in the names of two or more persons, payable to any of them or payable to any of them or the survivor, such deposit, or any part thereof, or any interest thereon, may be paid to either of the persons, whether one of such persons shall be a minor or not, and whether the other be living or not; and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to the bank for any payment so made.

B. 1. When a deposit has been made or shall hereafter be made in any bank using the terms "Payable on Death" or "P.O.D.", such deposits shall be payable on the death of the account owner to one or more designated P.O.D. beneficiaries, or to an individual or individuals named beneficiary if living, and if not living, to the named estate of the beneficiary, notwithstanding any provision to the contrary contained in Sections 41 through 57 of Title 84 of the Oklahoma Statutes. Each designated P.O.D. beneficiary shall be a trust, an individual, or a nonprofit organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3).

2. A deposit account with a P.O.D. designation shall constitute a contract between the account owner, (or owners, if more than one)

1 and the bank that upon the death of the last surviving owner of the
2 account, and after payment of account proceeds to any secured party
3 with a valid security interest in the account, the bank will hold
4 the funds for or pay them to the named primary beneficiary or
5 beneficiaries if living. If ~~any named~~ a primary beneficiary ~~is not~~
6 ~~living~~ predeceases the account owner, the share of that primary
7 beneficiary shall ~~instead be held for or paid to the estate of that~~
8 ~~deceased beneficiary unless contingent beneficiaries have been~~
9 ~~designated by the account owner as allowed by~~ be distributed
10 pursuant to either paragraph 4 or 5 of this subsection, whichever is
11 applicable.

12 3. Each P.O.D. beneficiary designated on a deposit account
13 shall be a primary beneficiary unless specifically designated as a
14 contingent beneficiary.

15 4. If there is only one primary P.O.D. beneficiary on a deposit
16 account and that beneficiary is an individual, the account owner may
17 designate one or more contingent beneficiaries for whom the funds
18 shall be held or to whom the funds shall be paid if the primary
19 beneficiary is not living when the last surviving owner of the
20 account dies. If there is more than one primary P.O.D. beneficiary
21 on a deposit account, contingent beneficiaries shall not be allowed
22 on that account.

23 5. If the ~~only~~ sole primary P.O.D. beneficiary is not living
24 and one or more contingent beneficiaries have been designated as

1 allowed by paragraph 4 of this subsection, the funds shall be held
2 for or paid to the contingent beneficiaries who are alive at the
3 time of the account owner's death in equal shares, and shall not
4 belong to the estate of the deceased primary beneficiary. If
5 neither the ~~only~~ primary beneficiary ~~is not living, and a~~ nor any
6 contingent beneficiary ~~or contingent beneficiaries have been~~
7 ~~designated as allowed by paragraph 4 of this subsection, but one or~~
8 ~~more designated contingent beneficiaries are also not~~ is living, the
9 ~~share that otherwise would belong to any deceased contingent~~
10 ~~beneficiary~~ at the time of the account owner's death, the funds
11 shall ~~instead be held for or~~ paid to the account owner's estate ~~of~~
12 ~~that deceased contingent beneficiary.~~

13 6. In order to designate multiple primary P.O.D. beneficiaries
14 for a deposit account, the account should be styled as follows:

15 "(Name of Account Owner), payable on death (or P.O.D.) to (Name
16 of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary, in
17 equal shares.)"

18 7. If only one primary P.O.D. beneficiary has been designated
19 on a deposit account, the account owner may add the following, or
20 words of similar meaning, in the style of the account or in the
21 account agreement:

22 "If the designated P.O.D. beneficiary is deceased, then payable
23 on the death of the account owner to (Name of Beneficiary), (Name of
24

Beneficiary), and (Name of Beneficiary), as contingent beneficiaries, in equal share."

8. Adjustments may be made in the styling, depending upon the number of owners of the account, to allow for survivorship rights, and the number of beneficiaries. It is to be understood that each beneficiary is entitled to a proportionate share of the account proceeds only after the death of the last surviving account owner, and after payment of account proceeds to any secured party with a valid security interest in the account. ~~In the event of the death of a beneficiary prior to the death of the account owner, the share of that beneficiary shall go to the estate of that beneficiary. Unless one or more contingent beneficiaries have been designated to take the place of that beneficiary as provided in paragraph 4 of this subsection.~~ All designated primary P.O.D. beneficiaries shall have equal shares. All designated contingent P.O.D. beneficiaries shall have equal shares as if the sole primary beneficiary is deceased. In the event of the death of a beneficiary prior to the death of the account owner, the share of that beneficiary shall be divided among any surviving beneficiaries or distributed to contingent beneficiaries pursuant to paragraphs 4 and 5 of this subsection, if applicable. If no beneficiaries are alive at the time of the account owner's death, the funds should be held for, or paid to, the estate of the deceased account owner.

1 9. A bank may require the owner of an account to provide an
2 address for any primary or contingent P.O.D. beneficiary. If the
3 P.O.D. account is an interest-bearing account and the funds are not
4 claimed by the P.O.D. beneficiary or beneficiaries within sixty (60)
5 days after the death of the last surviving account holder, or after
6 the bank has notice of the death of the last surviving account
7 holder, whichever is later, the bank has the right to convert the
8 account to a non-interest-bearing account.

9 10. No change in the designation of a named beneficiary shall
10 be valid unless executed by the owner of the fund and in the form
11 and manner prescribed by the bank; however, this section shall be
12 subject to the provisions of Section 178 of Title 15 of the Oklahoma
13 Statutes.

14 11. The receipt or acquittance of the named beneficiary so
15 paid, or of the legal representative of ~~such named beneficiary's~~ the
16 account owner's estate, ~~if the beneficiary is deceased and there is~~
17 ~~no contingent beneficiary designated to take the place of that~~
18 ~~beneficiary~~ in the event the beneficiary predeceased the account
19 owner, shall be valid and sufficient release and discharge to the
20 bank for any payment so made, unless, prior to such payment, the
21 bank receives notice in the form and manner required in Section 905
22 of this title.

23 12. Subsequent to the effective date of this act, a bank shall
24 provide a customer creating a P.O.D. account with a written notice

1 that the distribution of the proceeds in the P.O.D. account shall be
2 consistent with the provisions of ~~Section 901 of Title 6 of the~~
3 ~~Oklahoma Statutes~~ this section.

4 C. The provisions of this section shall apply to all forms of
5 deposit accounts, including, but not limited to, transaction
6 accounts, savings accounts, certificates of deposits, negotiable
7 order of withdrawal (N.O.W.) accounts, and M.M.D.A. accounts.

8 SECTION 3. AMENDATORY 6 O.S. 2011, Section 906, as last
9 amended by Section 1, Chapter 73, O.S.L. 2017 (6 O.S. Supp. 2020,
10 Section 906), is amended to read as follows:

11 Section 906. A. 1. When a deposit has been made in a bank or
12 credit union in the name of a sole individual without designation of
13 a payable-on-death beneficiary, upon the death of the sole owner of
14 the account if the amount of the aggregate deposits held in single
15 ownership accounts in the name of the deceased individual is Fifty
16 Thousand Dollars (\$50,000.00) or less, the bank or credit union may,
17 without a requirement that heirs open an additional account,
18 transfer the funds to the known heirs of the deceased upon receipt
19 of an affidavit sworn to by the known heirs of the deceased which
20 establishes jurisdiction and relationship and states that the owner
21 of the account left no will; provided, however, that no probate
22 proceedings are pending. The affidavit shall be sworn to and signed
23 by the known heirs of the deceased and the same shall swear that the
24 facts set forth in the affidavit establishing jurisdiction, heirship

1 and intestacy are true and correct. The affidavit may contain a
2 clause indemnifying the bank from any damages related to the release
3 of funds. In the event the account is subject to pending probate
4 proceedings, the release of the deposits in the account shall be
5 determined by the court.

6 2. Upon the death of an individual who is the sole renter of a
7 safe deposit box in a bank or credit union, the bank or credit union
8 may open the box in the presence of all known heirs and transfer or
9 release the contents to such heirs upon receipt of an affidavit
10 which establishes jurisdiction and relationship to the deceased and
11 states that the renter of the safe deposit box left no will or that
12 the contents of the safe deposit box are the only known assets of
13 the deceased renter. The affidavit shall be sworn to and signed by
14 the known heirs of the deceased and the same shall swear that the
15 facts set forth in the affidavit establishing jurisdiction, heirship
16 and intestacy or that the contents of the safe deposit box are the
17 only asset of the deceased are true and correct. Every known heir
18 shall either be present in person or by a duly authorized agent. If
19 any known heir is unable to be physically present for the opening of
20 the box and transfer of the contents, such heir may appoint an agent
21 by executing authorization in writing in the following form: "I
22 hereby authorize (name of person) to act as my agent at the opening
23 and transfer of contents of safe deposit box (number or other
24 identification) at (name of financial institution)." The

1 authorization form shall be signed and dated by the heir and
2 notarized. The bank or credit union may impose its standard fee for
3 drilling the box if the heirs cannot provide the key for opening.

4 B. Receipt by the bank or credit union of the affidavit
5 described in subsection A of this section shall be a valid and
6 sufficient release and discharge to the bank or credit union for any
7 transfer of deposits or contents made in good-faith reliance on the
8 affidavit and shall serve to discharge the bank or credit union from
9 liability as to any other party, including any heir, legatee,
10 devisee, creditor or other person having rights or claims to funds
11 or property of the decedent, and include a discharge of the bank or
12 credit union from liability for any estate, inheritance or other
13 taxes which may be due the state from the estate or as a result of
14 the transfer.

15 C. Any person who knowingly submits and signs a false affidavit
16 as provided in this section shall be fined not more than Three
17 Thousand Dollars (\$3,000.00) or imprisoned for not more than six (6)
18 months, or both. Restitution of the amount fraudulently attained
19 shall be made to the rightful beneficiary by the guilty person.

20 SECTION 4. This act shall become effective November 1, 2021.
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