

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1819
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Bill Analysis

SB 1819 creates the Uniform Special Deposits Act. The measure shall only apply to accounts created to establish a special deposit account. Parties to the agreement to establish the account shall choose a forum in this state for settling a dispute arising out of the special deposit. The measure provides that if a beneficiary is party to the agreement, then the bank and the depositor may amend the agreement without the consent of the beneficiary only if the agreement expressly permits the amendment. If the beneficiary is not party to the agreement but has knowledge of the agreement, then the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment does not adversely and materially affect a payment right of the beneficiary. If the beneficiary has no knowledge of the agreement and is not party to the agreement, any amendment must be made in good faith.

A special deposit may serve at least one permissible purpose stated in the account agreement from the time the special deposit is created in the account agreement until termination of the special deposit. The bank shall be obligated to pay the beneficiary if there are sufficient actually and finally collected funds in the balance of the special deposit. The beneficiary may elect to be paid funds that are available in the account if funds are not sufficient to cover a payment unless the account agreement provides otherwise. The measure provides that creditor process shall not be enforceable against the bank holding the special deposit.

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