

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 866
SENATE BILL 1351

AN ACT TO MAKE TECHNICAL CHANGES RELATING TO JOINT, TRUST,
AND PERSONAL AGENCY ACCOUNTS AT FINANCIAL INSTITUTIONS.

The General Assembly of North Carolina enacts:

Part I.

Savings Institution Accounts

Section 1. G.S. 54B-129 reads as rewritten:

"§ 54B-129. Joint accounts.

(a) Any two or more persons may open or hold a withdrawable account or accounts. The withdrawable account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also be held pursuant to G.S. 41-2.1 and have incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the association that withdrawals require more than one signature, payment by the association to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the association's obligation as to the amount so paid. Funds in a joint account established with right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that section. Payment by the association of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the association for the funds so paid, but the personal representative's authority to collect such funds from the surviving joint tenant or tenants is not terminated. A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their ~~decision in regard to election of the~~ right of survivorship in the account, and containing ~~the following language in a conspicuous manner:~~ set forth in a conspicuous manner and substantially similar to the following:

'SAVINGS AND LOAN (or name of institution)
JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP
G.S. 54B-129

We understand that by establishing a joint account under the provisions of North Carolina General Statute 54B-129 that:

1. The savings and loan association (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the association that withdrawals require more than one signature; and
2. ~~If we elect to create the right of survivorship in the account, that upon~~ Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not ~~be inherited by~~ pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

~~We create the right of survivorship in this account.~~

_____,

(a1) This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law as appropriate.

(b) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of law relating to estate taxes; the provisions herein shall regulate, govern and protect the association in its relationships with such joint owners of deposit accounts as herein provided.

(c) No addition to such account, nor any ~~withdrawal, withdrawal or payment or revocation~~ shall affect the nature of the account as a joint ~~account~~ account, or affect the right of any tenant to terminate the account."

Sec. 2. G.S. 54B-130 reads as rewritten:

"§ 54B-130. Trust accounts.

(a) If any person ~~holding or opening~~ establishing a withdrawable account shall execute a written agreement with the association containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account ~~and~~ with the following incidents:

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the association, ~~association; and~~
- (2) The trustee may withdraw ~~or funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the trustee's personal order, and such order.~~ Such payment or withdrawal shall constitute a revocation of the trust agreement as to the amount withdrawn. ~~withdrawn; and~~
- (3) ~~Upon the death of the trustee, the person designated as beneficiary, if such person~~ If the beneficiary is living and of legal age at the death of the trustee, the beneficiary shall be the holder of the account, and

payment by the association to the holder shall be a total discharge of the association's obligation as to the amount paid.

- (4) If the beneficiary predeceases the trustee, the account shall become an individual account of the trustee and shall have the legal incidents of an individual account.
- (5) If the named beneficiary is not of legal age at the death of the trustee, the association shall transfer the funds in the account to the general guardian or guardian of the estate, if any, of the minor beneficiary. If no guardian of the minor beneficiary has been appointed, the association shall hold the funds in a similar interest bearing account in the name of the minor until the minor reaches the age of majority or until a duly appointed guardian withdraws the funds.
- (6) Funds in a trust account established pursuant to this subsection shall belong to the beneficiary upon the death of the trustee and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(1). Payment by the association of funds in the trust account to the beneficiary shall terminate the personal representative's authority under G.S. 28A-15-10(a)(1) to collect against the association for the funds so paid, but the personal representative's authority to collect such funds from the beneficiary is not terminated.

The person establishing an account under this subsection shall sign a statement containing ~~the following language set forth in a conspicuous manner and substantially similar to the following:~~ in a conspicuous manner:

'SAVINGS AND LOAN (or name of institution)
TRUST ACCOUNT
G.S. 54B-130(a)

I understand that by establishing a trust account under the provisions of North Carolina General Statute 54B-130(a) that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the savings and loan association (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary, and the money will not be inherited by my heirs or be controlled by my will.

(a1) This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate.

(b) Whenever the beneficiary of a trust account does not survive the trustee then the account and any balance thereof which exists shall be held by the trustee in the trustee's own right and for the trustee's own use and benefit.

(c) No addition to such accounts, nor any withdrawal, payment, ~~revocation~~ or change of beneficiary shall affect the nature of such accounts as trust ~~accounts~~ accounts, or affect the right of a trustee to terminate the account.

(d) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of laws relating to estate taxes."

Sec. 3. G.S. 54B-139(a) reads as rewritten:

"(a) A person may open a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account as set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing ~~the following language~~ substantially similar to the following in a conspicuous manner:

'SAVINGS AND LOAN (or name of institution)
PERSONAL AGENCY ACCOUNT
G.S. 54B-139

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 54B-139 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

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Part II.

Bank Accounts

Sec. 4. G.S. 53-146.1 reads as rewritten:

"§ 53-146.1. Joint accounts.

(a) Any two or more persons may establish a deposit account or accounts by written contract. The deposit account and any balance thereof shall be held for them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also be held pursuant to G.S. 41-2.1 and have the incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the bank that withdrawals require more than one signature, payment by the bank to, or on the order of, any persons designated in the contract authorized by this section shall be a total discharge of the bank's obligation as to the amount so paid. Funds in a joint

account established with right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that section. Payment by the bank of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the bank for the funds so paid, but the personal representative's authority to collect such funds from the surviving joint tenant or tenants is not terminated. A pledge of such account by any owner or owners, unless otherwise specifically agreed upon, shall be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their ~~decision in regard to election of~~ the right of survivorship in the account, and containing ~~the following language in a conspicuous manner: set forth in a conspicuous manner and substantially similar to the following:~~

'BANK (or name of institution)
JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP
G.S. 53-146.1

We understand that by establishing a joint account under the provisions of North Carolina General Statute 53-146.1 that:

1. The bank (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the bank that withdrawals require more than one signature; and
2. ~~If we elect to create the right of survivorship in the account, that upon~~ Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not ~~be inherited by~~ pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

~~We~~ create the right of survivorship in this account.

_____,
_____ ,

(a1) This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other common law provisions of the General Statutes or the common law as appropriate.

(b) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of laws relating to estate taxes; the provisions herein shall regulate, govern and protect the bank in its relationship with such joint owners of deposit accounts as herein provided.

(c) No addition to such deposit account, nor any ~~withdrawal, withdrawal or payment or revocation~~ shall affect the nature of the account as a joint ~~account~~ account, or affect the right of any tenant to terminate the account."

Sec. 5. G.S. 53-146.2 reads as rewritten:

"§ 53-146.2. Trust accounts.

(a) If any person establishing a deposit account shall execute a written agreement with the bank containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account, ~~and: with the following incidents:~~

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the bank. ~~bank; and~~
- (2) The trustee may withdraw ~~or funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the trustee's personal order, and such order.~~ Such payment or withdrawal shall constitute a revocation of the trust agreement as to the amount withdrawn. ~~withdrawn; and~~
- (3) ~~Upon the death of the trustee, the person designated as beneficiary, if such person~~ If the beneficiary is living and of legal age at the death of the trustee, the beneficiary shall be the owner of the account, and payment by the bank to such owner shall be a total discharge of the bank's obligation as to the amount paid.
- (4) If the beneficiary predeceases the trustee, the account shall become an individual account of the trustee and shall have the legal incidents of an individual account.
- (5) If the named beneficiary is not of legal age at the death of the trustee, the bank shall transfer the funds in the account to the general guardian or guardian of the estate, if any, of the minor beneficiary. If no guardian of the minor beneficiary has been appointed, the bank shall hold the funds in a similar interest bearing account in the name of the minor until the minor reaches the age of majority or until a duly appointed guardian withdraws the funds.
- (6) Funds in a trust account established pursuant to this subsection shall belong to the beneficiary upon the death of the trustee and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(1). Payment by the bank of funds in the trust account to the beneficiary shall terminate the personal representative's authority under G.S. 28A-15-10(a)(1) to collect against the bank for the funds so paid, but the personal representative's authority to collect such funds from the beneficiary is not terminated.

The person establishing an account under this subsection shall sign a statement containing ~~the following language set forth in a conspicuous manner and substantially similar to the following:~~ in a conspicuous manner:

'BANK (or name of institution)

TRUST ACCOUNT

G.S. 53-146.2

I understand that by establishing a trust account under the provisions of North Carolina General Statute 53-146.2 that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the bank (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary and the money will not be inherited by my heirs or be controlled by will.

(a1) This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate.

(b) Whenever the beneficiary of a trust account does not survive the trustee, then the account and any balance thereof which exists shall be owned by the trustee in the trustee's own right and for the trustee's own use and benefit.

(c) No addition to such accounts, nor any withdrawal, payment, ~~revocation~~ or change of beneficiary shall affect the nature of such accounts as trust ~~accounts~~ accounts, or affect the right of a trustee to terminate the account.

(d) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of laws relating to estate taxes."

Sec. 6. G.S. 53-146.3(a) reads as rewritten:

"(a) Any person may establish a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account in the actions set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing ~~the following~~ language substantially similar to the following in a conspicuous manner:

'BANK (or name of institution)
PERSONAL AGENCY ACCOUNT
G.S. 53-146.3

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 53-146.3 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

_____"

Part III.
Credit Union Accounts

Sec. 7. G.S. 54-109.58 reads as rewritten:

"§ 54-109.58. Joint accounts.

(a) Shares may be issued to and deposits received from any two or more persons opening or holding an account or accounts, but no joint tenant, unless a member in his own right, shall be permitted to vote, obtain loans, or hold office or be required to pay an entrance or membership fee. The account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also be held pursuant to G.S. 41-2.1 and have the incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the credit union that withdrawals require more than one signature, payment by the credit union to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the credit union's obligations as to the amount so paid. Funds in a joint account established with right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that section. Payment by the credit union of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the credit union for the funds so paid, but the personal representative's authority to collect such funds from the surviving joint tenant or tenants is not terminated. A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their ~~decision in regard to election of the~~ right of survivorship in the account, and containing ~~the following language in a conspicuous manner:~~ set forth in a conspicuous manner and substantially similar to the following:

'CREDIT UNION (or name of institution)
JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP
G.S. 54-109.58

We understand that by establishing a joint account under the provisions of North Carolina General Statute 54-109.58 that:

1. The credit union (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the credit union that withdrawals require more than one signature; and

2. ~~If we elect to create the right of survivorship in the account, that upon~~ Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not ~~be inherited by~~ pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

~~We create the right of survivorship in this account.~~

_____,
_____,
(a1) This section shall not be deemed exclusive. Deposit accounts, not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law as appropriate.

(b) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of laws relating to estate taxes; the provisions herein shall regulate, govern and protect the credit union in its relationship with such joint owners of accounts as herein provided.

(c) No addition to such account, nor any ~~withdrawal, withdrawal or payment or revocation~~ shall affect the nature of the account as a joint ~~account.~~ account, or affect the right of any tenant to terminate the account."

Sec. 8. G.S. 54-109.57 reads as rewritten:

"§ 54-109.57. Trusts accounts.

(a) Shares may be issued to and deposits received from any person ~~holding or opening~~ establishing an account who shall execute a written agreement with the credit union containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account, ~~and:~~ with the following incidents:

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the ~~credit union; and~~ credit union.
- (2) The trustee may ~~withdraw or~~ withdraw funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the trustee's personal order, and such order. Such payment or withdrawal shall constitute a revocation of the trust agreement as to the amount withdrawn. ~~withdrawn; and~~
- (3) ~~Upon the death of the trustee, the person designated as beneficiary, if such person~~ If the beneficiary is living and of legal age at the death of the trustee, the beneficiary shall be the holder of the account, and payment by the credit union to the holder shall be a total discharge of the credit union's obligation as to the amount paid.
- (4) If the beneficiary predeceases the trustee, the account shall become an individual account of the trustee and shall have the legal incidents of an individual account.

- (5) If the named beneficiary is not of legal age at the death of the trustee, the credit union shall transfer the funds in the account to the general guardian or guardian of the estate, if any, of the minor beneficiary. If no guardian of the minor beneficiary has been appointed, the credit union shall hold the funds in a similar interest bearing account in the name of the minor until the minor reaches the age of majority or until a duly appointed guardian withdraws the funds.
- (6) Funds in a trust account established pursuant to this subsection shall belong to the beneficiary upon the death of the trustee and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(1). Payment by the credit union of funds in the trust account to the beneficiary shall terminate the personal representative's authority under G.S. 28A-15-10(a)(1) to collect against the credit union for the funds so paid, but the personal representative's authority to collect such funds from the beneficiary is not terminated.

The person establishing an account under this subsection shall sign a statement containing ~~the following language~~ set forth in a conspicuous manner and substantially similar to the following: in a conspicuous manner:

'CREDIT UNION (or name of institution)
TRUST ACCOUNT
G.S. 54-109.57

I understand that by establishing a trust account under the provisions of North Carolina General Statute 54-109.57 that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the credit union (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary, and the money will not be inherited by my heirs or be controlled by my will.

(a1) This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate.

(b) Whenever the beneficiary of a trust account does not survive the trustee, then the account and any balance thereof which exists shall be held by the trustee in the trustee's own right and for the trustee's own use and benefit.

(c) No addition to such accounts, nor any withdrawal, payment, ~~revocation~~ or change of beneficiary shall affect the nature of such accounts as trust ~~accounts~~ accounts, or affect the right of a trustee to terminate the account.

(d) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-24, relating to the administration of the estate tax laws of this State, or provisions of law relating to estate taxes."

Sec. 9. G.S. 54-109.63(a) reads as rewritten:

"(a) A person may open a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account as set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing ~~the following language~~ substantially similar to the following in a conspicuous manner:

'CREDIT UNION (or name of institution)
PERSONAL AGENCY ACCOUNT
G.S. 54-109.63

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 54-109.63 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

"

Part IV.
Effective Date

Sec. 10. This act shall become effective January 1, 1991.

In the General Assembly read three times and ratified this the 9th day of July, 1990.