

Memorandum 89-84

Subject: Study L-1060 - Multiple-Party Account Cleanup

Senate Bill 985 contains an uncodified section making clear that a financial institution does not have a duty to inform depositors of the enactment of the revised multiple-party accounts law. When the operative date of the bill was changed from January 1, 1990, to July 1, 1990, this uncodified section was overlooked. In order to clear up any confusion that might arise, the staff proposes to include the following amendment in an urgency clean-up bill in the 1990 legislative session:

No duty to inform persons of enactment of act

SEC. . Section 40 of Chapter 397 of the Statutes of 1989 is amended to read:

SEC. 40. (a) A financial institution (as defined in Section 5128 of the Probate Code) has no duty to inform any of the following persons of the enactment of ~~this act~~ Chapter 397 of the Statutes of 1989:

(1) Any depositor holding an account on ~~January~~ July 1, 1990.

(2) Any beneficiary named in a Totten trust account on ~~January~~ July 1, 1990.

(3) Any P.O.D. payee designated on a P.O.D. account on ~~January~~ July 1, 1990.

(4) Any agent designated on an agency account on ~~January~~ July 1, 1990.

(b) No liability may be imposed on a financial institution for failing to inform any person designated in subdivision (a) of the enactment of this act.

Respectfully submitted,

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