

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1351*

Short Title: Deposit Account Changes.

(Public)

Sponsors: Senators Staton, Plyler, Carpenter, Conder; Block, Johnson of Cabarrus, and Sands.

Referred to: Judiciary I.

May 23, 1990

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL CHANGES RELATING TO JOINT, TRUST,
3 AND PERSONAL AGENCY ACCOUNTS AT FINANCIAL INSTITUTIONS.

4 The General Assembly of North Carolina enacts:

5 **PART I.**

6 **SAVINGS INSTITUTION ACCOUNTS**

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

8 **"§ 54B-129. Joint accounts.**

9 (a) Any two or more persons may open or hold a withdrawable account or
10 accounts. The withdrawable account and any balance thereof shall be held by them as
11 joint tenants, with or without right of survivorship, as the contract shall provide; the
12 account may also be held pursuant to G.S. 41-2.1 and have incidents set forth in that
13 section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract
14 shall set forth that fact as well. Unless the persons establishing the account have agreed
15 with the association that withdrawals require more than one signature, payment by the
16 association to, or on the order of, any persons holding an account authorized by this
17 section shall be a total discharge of the association's obligation as to the amount so paid.
18 Funds in a joint account established with right of survivorship shall belong to the
19 surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be
20 subject only to the personal representative's right of collection as set forth in G.S. 28A-
21 15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the
22 provisions of that section. Payment by the association of funds in the joint account to a
23 surviving joint tenant or tenants shall terminate the personal representative's authority

1 under G.S. 28A-15-10(a)(3) to collect against the association for the funds so paid, but
 2 the personal representative's authority to collect such funds from the surviving joint
 3 tenant or tenants is not terminated. A pledge of such account by any holder or holders
 4 shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such
 5 account, or of the amount so pledged, and shall not operate to sever or terminate the
 6 joint ownership of all or any part of the account. Persons establishing an account under
 7 this section shall sign a statement showing their ~~decision in regard to~~ election of the right
 8 of survivorship in the account, and containing the following language in a conspicuous
 9 ~~manner:~~ set forth in a conspicuous manner and substantially similar to the following:

10 **‘SAVINGS AND LOAN (OR NAME OF INSTITUTION)**
 11 **JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP**
 12 **G.S. 54B-129**

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

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

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

25
 26
 27 (a1) This section shall not be deemed exclusive. Deposit accounts not conforming
 28 to this section shall be governed by other applicable provisions of the General Statutes
 29 or the common law as appropriate.

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

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

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

39 **"§ 54B-130. Trust accounts.**

40 (a) If any person ~~holding or opening~~ establishing a withdrawable account shall
 41 execute a written agreement with the association containing a statement that it is
 42 executed pursuant to the provisions of this subsection and providing for the account to
 43 be held in the name of such person as trustee for not more than one person designated as

1 beneficiary, the account and any balance thereof shall be held as a trust account ~~and~~
 2 with the following incidents:

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

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

37 **‘SAVINGS AND LOAN (OR NAME OF INSTITUTION)**
 38 **TRUST ACCOUNT**
 39 **G.S. 54B-130(A)**

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

- 42 1. During my lifetime I may withdraw the money in the account; and
 43 2. By written direction to the savings and loan association (or name of
 44 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, ~~evocation~~ 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.

**PART II.
BANK ACCOUNTS**

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

1 **"§ 53-146.1. Joint accounts.**

2 (a) Any two or more persons may establish a deposit account or accounts by
 3 written contract. The deposit account and any balance thereof shall be held for them as
 4 joint tenants, with or without right of survivorship, as the contract shall provide; the
 5 account may also be held pursuant to G.S. 41-2.1 and have the incidents set forth in that
 6 section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract
 7 shall set forth that fact as well. Unless the persons establishing the account have agreed
 8 with the bank that withdrawals require more than one signature, payment by the bank to,
 9 or on the order of, any persons designated in the contract authorized by this section shall
 10 be a total discharge of the bank's obligation as to the amount so paid. Funds in a joint
 11 account established with right of survivorship shall belong to the surviving joint tenant
 12 or tenants upon the death of a joint tenant, and the funds shall be subject only to the
 13 personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as
 14 provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that
 15 section. Payment by the bank of funds in the joint account to a surviving joint tenant or
 16 tenants shall terminate the personal representative's authority under G.S. 28A-15-
 17 10(a)(3) to collect against the bank for the funds so paid, but the personal
 18 representative's authority to collect such funds from the surviving joint tenant or tenants
 19 is not terminated. A pledge of such account by any owner or owners, unless otherwise
 20 specifically agreed upon, shall be a valid pledge and transfer of such account, or of the
 21 amount so pledged, and shall not operate to sever or terminate the joint ownership of all
 22 or any part of the account. Persons establishing an account under this section shall sign
 23 a statement showing their ~~decision in regard to election of the right of survivorship in the~~
 24 ~~account, and containing the following language in a conspicuous manner:~~ set forth in a
 25 conspicuous manner and substantially similar to the following:

26 **'BANK (OR NAME OF INSTITUTION)**

27 **JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP**

28 **G.S. 53-146.1**

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

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

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

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

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

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

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

13 **"§ 53-146.2. Trust accounts.**

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

19 (1) The trustee during the trustee's lifetime may change the designated
20 beneficiary by a written direction to the ~~bank~~ bank; ~~and~~

21 (2) The trustee may ~~withdraw~~ withdraw or ~~draw~~ draw funds by writing checks or otherwise, as
22 set forth in the account contract, and receive payment in cash or check
23 payable to the trustee's personal order, and such order. Such payment
24 or withdrawal shall constitute a revocation of the trust agreement as to
25 the amount withdrawn. ~~withdrawn~~; ~~and~~

26 (3) ~~Upon the death of the trustee, the person designated as beneficiary, if such~~
27 ~~person~~ If the beneficiary is living and of legal age at the death of the
28 trustee, the beneficiary shall be the owner of the account, and payment
29 by the bank to such owner shall be a total discharge of the bank's
30 obligation as to the amount paid.

31 (4) If the beneficiary predeceases the trustee, the account shall become an
32 individual account of the trustee and shall have the legal incidents of
33 an individual account.

34 (5) If the named beneficiary is not of legal age at the death of the trustee,
35 the bank shall transfer the funds in the account to the general guardian
36 or guardian of the estate, if any, of the minor beneficiary. If no
37 guardian of the minor beneficiary has been appointed, the bank shall
38 hold the funds in a similar interest bearing account in the name of the
39 minor until the minor reaches the age of majority or until a duly
40 appointed guardian withdraws the funds.

41 (6) Funds in a trust account established pursuant to this subsection shall
42 belong to the beneficiary upon the death of the trustee and the funds
43 shall be subject only to the personal representative's right of collection
44 as set forth in G.S. 28A-15-10(a)(1). Payment by the bank of funds in

1 the trust account to the beneficiary shall terminate the personal
2 representative's authority under G.S. 28A-15-10(a)(1) to collect
3 against the bank for the funds so paid, but the personal representative's
4 authority to collect such funds from the beneficiary is not terminated.

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

8 **'BANK (OR NAME OF INSTITUTION)**

9 **TRUST ACCOUNT**

10 **G.S. 53-146.2**

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

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

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

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

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

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

33 Sec. 6. G.S. 54-146.3(a) reads as rewritten:

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

- 40 (1) Make, sign or execute checks drawn on the account or otherwise make
41 withdrawals from the account;
- 42 (2) Endorse checks made payable to the principal for deposit only into the
43 account; and

1 (3) Deposit cash or negotiable instruments, including instruments
2 endorsed by the principal, into the account.

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

5 'BANK (OR NAME OF INSTITUTION)

6 PERSONAL AGENCY ACCOUNT

7 G.S. 53-146.3

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

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

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

14
15 ""

16 PART III.

17 CREDIT UNION ACCOUNTS

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

19 "§ 54-109.58. Joint accounts.

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

1 following language in a conspicuous manner: set forth in a conspicuous manner and
 2 substantially similar to the following:

3 **'CREDIT UNION (OR NAME OF INSTITUTION)**
 4 **JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP**
 5 **G.S. 54-109.58**

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

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

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

18
 19
 20
 21 (a1) This section shall not be deemed exclusive. Deposit accounts, not
 22 conforming to this section shall be governed by other applicable provisions of the
 23 General Statutes or the common law as appropriate.

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

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

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

33 **"§ 54-109.57. Trusts accounts.**

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

- 40 (1) The trustee during the trustee's lifetime may change the designated
 41 beneficiary by a written direction to the ~~credit union; and~~ credit union.
- 42 (2) The trustee may withdraw ~~or~~ draw funds by writing checks or otherwise, as
 43 set forth in the account contract, and receive payment in cash or check
 44 payable to the trustee's personal order, and such order. Such payment

1 or withdrawal shall constitute a revocation of the trust agreement as to
 2 the amount withdrawn. ~~withdrawn; and~~

3 (3) ~~Upon the death of the trustee, the person designated as beneficiary, if such~~
 4 ~~person~~ If the beneficiary is living and of legal age at the death of the
 5 trustee, the beneficiary shall be the holder of the account, and payment
 6 by the credit union to the holder shall be a total discharge of the credit
 7 union's obligation as to the amount paid.

8 (4) If the beneficiary predeceases the trustee, the account shall become an
 9 individual account of the trustee and shall have the legal incidents of
 10 an individual account.

11 (5) If the named beneficiary is not of legal age at the death of the trustee,
 12 the credit union shall transfer the funds in the account to the general
 13 guardian or guardian of the estate, if any, of the minor beneficiary. If
 14 no guardian of the minor beneficiary has been appointed, the credit
 15 union shall hold the funds in a similar interest bearing account in the
 16 name of the minor until the minor reaches the age of majority or until a
 17 duly appointed guardian withdraws the funds.

18 (6) Funds in a trust account established pursuant to this subsection shall
 19 belong to the beneficiary upon the death of the trustee and the funds
 20 shall be subject only to the personal representative's right of collection
 21 as set forth in G.S. 28A-15-10(a)(1). Payment by the credit union of
 22 funds in the trust account to the beneficiary shall terminate the
 23 personal representative's authority under G.S. 28A-15-10(a)(1) to
 24 collect against the credit union for the funds so paid, but the personal
 25 representative's authority to collect such funds from the beneficiary is
 26 not terminated.

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

30 **'CREDIT UNION (OR NAME OF INSTITUTION)**

31 **TRUST ACCOUNT**

32 **G.S. 54-109.57**

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

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

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

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

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

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

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

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

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

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

28 **'CREDIT UNION (OR NAME OF INSTITUTION)**
29 **PERSONAL AGENCY ACCOUNT**
30 **G.S. 54-109.63**

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

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

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

37
38 ""

39 **PART IV.**
40 **EFFECTIVE DATE**

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