

Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven

HOUSE BILL NO. 1091
(Judiciary Committee)
(At the request of the Commission on Uniform State Laws)

AN ACT to amend and reenact sections 30.1-31-10 and 30.1-31-19 of the North Dakota Century Code, relating to alteration of rights and discharge under nonprobate transfers on death.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 30.1-31-10 of the North Dakota Century Code is amended and reenacted as follows:

30.1-31-10. (6-213) Alteration of rights.

1. Rights at death under section 30.1-31-09 are determined by the ~~type terms~~ of the account at the death of a party. The ~~type terms~~ of the account may be altered by written notice given by a party to the financial institution to change the ~~type terms~~ of the account or to stop or vary payment under the terms of the account. The notice must be signed by a party and received by the financial institution during the party's lifetime.
2. A right of survivorship arising from the express terms of the account, section 30.1-31-09, or a P.O.D. designation, may not be altered by will.

SECTION 2. AMENDMENT. Section 30.1-31-19 of the North Dakota Century Code is amended and reenacted as follows:

30.1-31-19. (6-226) Discharge.

1. Payment made pursuant to sections 30.1-31-02 through 30.1-31-20 in accordance with the ~~type terms~~ of the account discharges the financial institution from all claims for amounts so paid, whether or not the payment is consistent with the beneficial ownership of the account as between parties, beneficiaries, or their successors. Payment may be made whether or not a party, beneficiary, or agent is disabled, incapacitated, or deceased when payment is requested, received, or made.
2. Protection under this section does not extend to payments made after a financial institution has received written notice from a party, or from the personal representative, surviving spouse, or heir or devisee of a deceased party, to the effect that payments in accordance with the terms of the account, including one having an agency designation, should not be permitted, and the financial institution has had a reasonable opportunity to act on it when the payment is made. Unless the notice is withdrawn by the person giving it, the successor of any deceased party must concur in a request for payment if the financial institution is to be protected under this section. Unless a financial institution has been served with process in an action or proceeding, no other notice or other information shown to have been available to the financial institution affects its right to protection under this section.
3. A financial institution that receives written notice pursuant to this section or otherwise has reason to believe that a dispute exists as to the rights of the parties may refuse, without liability, to make payments in accordance with the terms of the account.

4. Protection of a financial institution under this section does not affect the rights of parties in disputes between themselves or their successors concerning the beneficial ownership of sums on deposit in accounts or payments made from accounts.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1091.

House Vote: Yeas 96 Nays 0 Absent 2

Senate Vote: Yeas 48 Nays 0 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,
at _____ o'clock _____ M.

Secretary of State